

2009

Presque Isle Maine Annual Financial Report 2009

Presque Isle, Me.

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CITY OF PRESQUE ISLE, MAINE

Comprehensive Annual Financial Report

**For the Fiscal Year Ended
December 31, 2009**

**Prepared by:
City of Presque Isle
Finance Department**

CITY OF PRESQUE ISLE, MAINE
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2009

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INTRODUCTORY SECTION

April 7, 2010

To the City Councilors and
Citizens of Presque Isle

Maine state statutes and the Presque Isle City Charter require that the City issue annually a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2009.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that is established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement.

Runyon Kersteen Ouellette, Certified Public Accountants, has issued an unqualified ("clean") opinion on the City of Presque Isle, Maine's financial statements for the year ended December 31, 2009. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City of Presque Isle

The City of Presque Isle, Maine is located in central Aroostook County, the northernmost and largest of Maine's sixteen counties, and the largest county east of the Mississippi River. The city currently occupies approximately 77 square miles and serves a population of 9,500. Presque Isle was first incorporated as a township on April 4, 1859 and incorporated as a city on January 1, 1940. Under Maine statutes, the City is empowered to levy a property tax on both real and personal property within its boundaries.

The City operates under a municipal charter approved by the voters of the community on November 2, 1993 that provides for a council-manager form of government. Policy making and legislative authority is vested in a seven-member City Council. Councilors are all elected on a non-partisan basis for four-year staggered terms. The City Manager is the chief administrative officer of the City and is appointed by the Council, as are the Solicitor and Clerk. A new City Manager was hired by the City Council in March 2010.

The City of Presque Isle provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, sidewalks, and other infrastructure; recreational and cultural activities; landfill; regional airport; social welfare; municipal planning, assessing, building inspection and code enforcement; and general administration and economic development.

The annual budget serves as the foundation for the City's financial planning and control. The budget, which must be in balance, contains estimates of all non-tax revenues and receipts expected to be received during the next fiscal year, expenditures necessary to support City operations, debt service, and capital expenditures. The Council may then make any modifications and recommendations. The City Council is required to hold two public hearings on the proposed budget before final approval. The budget must be approved by a two-thirds majority of the City Council and must be approved before the beginning of the fiscal year. The budget is prepared for the general fund by department.

The budget includes information on the current and preceding fiscal years and requested appropriations for the next fiscal year. The City Manager may transfer resources within a department, promptly notifying the Council in writing of the reallocation. Transfers between departments require special approval from the Council. Expenditures may not legally exceed appropriations at the departmental level without Council approval. Budget-to-Actual comparisons are provided on page 30 of this report.

Factors Affecting Financial Condition

Local Economy

The City of Presque Isle is the largest municipality north of Bangor. Through the years, Presque Isle has evolved into a regional service center for commerce, finance, education, health care, recreation, air transportation, and numerous other aspects of life in Aroostook County. This evolutionary process is attributable to several factors including:

- Historical and geographical influences;
- A clear assumption of a leadership role by the municipal government;
- The active involvement of Presque Isle citizens in regional, county, and statewide projects, politics, agencies and organizations;
- The aggressively self-reliant nature that has been characteristic of Aroostook County residents.

These factors have helped to sustain the City in times of economic hardship including the closing of a military installation and a significant downturn in the woods and agriculture industries, all mainstays of the area.

Other factors that contribute to the economic stability of the City include:

- Presque Isle is home to Northern Maine Regional Airport, one of only three airports in the state able to land 30-passenger or greater aircraft.
- Educational opportunities:
 - University of Maine at Presque Isle,
 - Northern Maine Community College,
 - An outstanding public school system.
- Excellent medical services include a local hospital and ambulance service.
- An active Industrial Council, that works to attract new businesses to the area.

The major industries affecting the local economy, agriculture and service, continue to be major components of the regions economic base. The two agriculture industries, potato and woods, continue to struggle. Planted potato acreage, though lower than historical, remains stable. The service industry, on the other hand, continues to grow.

Construction projects in the City in 2009 include:

- Completed construction on a 150 bed hotel that is part of a national chain;
- Completed construction on a 19,175 square foot retail store;
- Completed construction on an 11 unit townhouse project;
- A new animal hospital to replace the current facility;
- A new 7,200 square foot rental center to replace the current facility;
- A new restaurant on Main Street;
- A new retail center for Farm and Garden equipment.

The City has a balanced and fairly diverse tax base with a 55 to 45 split between residential and commercial property values. The largest single taxpayer in 2009 comprised 3.5 percent of the total tax base with the top ten taxpayers combined representing 19.3 percent of the total tax base.

Long-term financial planning

Each year, in planning for the future, the City identifies those major programs necessary to meet the citizens' needs for services while continuing to meet sharply increasing fixed costs. Among these programs are road repair and construction, vehicle and equipment purchases, building renovations, and recreational activities. These initiatives

were done in accordance with the City's basic financial planning document, its five-year Capital Improvement Plan, which is reviewed and updated annually by the City Council as part of the annual budget process. The City uses a five-year forecasting model for the municipality that shows the effect on tax requirements for future anticipated revenues and expenditures.

The capital plan for 2010 calls for:

- A cruiser for the Police Department,
- A pick-up truck for the Fire Department,
- A slide at the Indoor Pool,
- A bulldozer for the Solid Waste Department,
- A hot-patcher and a snow plow for the Public Works Department, and
- A pick-up truck and a snowplow for the Airport. The snow plow is funded in large part by a Federal Aviation Administration grant.

In addition, this year's Capital Improvement Plan includes continued funding of the reserves for renovations to City Hall, various improvements to buildings at the Industrial Park, and increasing the balance in the emergency fund.

Relevant financial policies

The City maintains an Emergency Reserve to be used only in extraordinary circumstances with unanimous City Council approval. This reserve is funded through an appropriation each year, mandated by the City Charter, in the amount of 1.5% of the City's net municipal budget to a maximum of .5% of the current state valuation. Funds in this reserve have been used only once since its inception in 1993.

The City wrote a policy in 2009 stating that the amount that should be maintained in the Unreserved, undesignated fund balance is 16.6%, or two months of budgeted expenditures. This amount can be reduced to 8.3% if an additional 8.3% is maintained in the Emergency Reserve for a total of 16.6%. At December 31, 2009, the unreserved, undesignated fund balance in the general fund was 15.7% of 2009 general fund expenditures. The balance in the Emergency Reserve was 8.1% of expenditures for a total coverage of 23.8% of expenditures.

Major initiatives

Landfill The City of Presque Isle initiated a multi-year construction project at its landfill facility in 2007. Planned construction is scheduled for completion in 2010. Total cost is estimated at \$6,310,000 and is financed by a loan from the United States Department of Agriculture.

- Phase I of the project, included the installation of a phased final cover system on two of the four side slopes of the landfill during 2007 - 2008. This cover system ensures that liquids stay inside the landfill while keeping rainfall out.
- Phase II, during 2008 – 2009 included the installation a landfill gas system designed to remove flammable gas from the landfill and safely burn it on-site in a flare unit.
- Phase III, planned for 2009-2010 will be an expansion of the existing secure landfill with the installation of a state of the art liner system to protect groundwater.

The landfill expansion will serve our residents with a long-term, environmentally sound means of disposing of our solid waste.

Downtown Revitalization The City of Presque Isle has experienced a renewed interest from a grass roots committee of citizens interested in revitalizing the downtown area. The Downtown Revitalization Committee was born as the result of this initiative and is now recognized as a formal committee of the City. This allows City staff to provide guidance and staff support to the committee.

In the spring of 2008, the City received a report from a private engineering and architectural consulting firm detailing a redevelopment plan for the Central Business District. This *2008 Downtown Master Plan* contains a number of important design goals, strategies, and proposed developments and investments focused on the downtown business district over the next 5 years. This master plan has already been utilized on three occasions to seek much needed funding for implementation from state and federal sources.

In the spring of 2009, the City was awarded a 'Downtown Revitalization' Grant in the amount of \$250,000 from the Maine Office of Community Development. That state grant was combined with approximately \$146,000 in local matching funds for a total project cost of \$396,000. Final design engineering and project bidding for the Downtown Revitalization public infrastructure improvements for *Phase I – Downtown Revitalization Project* will be completed in the spring of 2010 and construction will commence in May 2010 with completion scheduled for late summer. The continuing efforts of this committee are a major force as the City looks to revitalize its downtown area.

Community Center In the fall of 2006 the City Council authorized a Community Center Committee tasked with developing a new community center to replace its current recreation and parks building. In 2007 and 2008, the City Council raised funds to hire an architect and engineer to develop conceptual plans for a new community center and assist the committee in its work.

A site selection committee was formed from among the members of the Community Center Committee. This sub-committee identified and examined 30 potential sites within the community. With the assistance of the architect and engineering firm the list was narrowed to three potential sites. Using a rating system, the preferred site was selected and presented to the Council for consideration and approval. Council agreed. The site consists of several separate parcels of land. Two of these parcels were purchased in 2008. In 2010 we expect to complete negotiations on the remainder of the land.

The Community Center Committee meets on a monthly basis and more often if needed. It is anticipated that this committee will continue its work until the new community center is completed. It was instrumental in defining the need for a new center, location, and purpose. It has worked with the Downtown Revitalization Committee and with the consultant for the downtown master plan in selecting a site that is in the downtown area. As plans for the new Community Center move forward, it will be tasked with exploring potential funding sources and capital campaigns.

Strategic Plan The Management Team of the City of Presque Isle is working on a document that will serve to clearly define and prioritize the City's short-term and long-term goals and how we will accomplish those goals.

Awards and acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Presque Isle, Maine, for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2008. This was the 10th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the staff of the Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Appreciation is also extended to the accounting firm of Runyon Kersteen Ouellette for its assistance in the preparation and review of this report. Credit must also be given to the City Council for their unfailing support for maintaining the highest standards of professionalism in the City of Presque Isle's finances.

Respectfully submitted,

Priscilla Webb
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Presque Isle
Maine

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



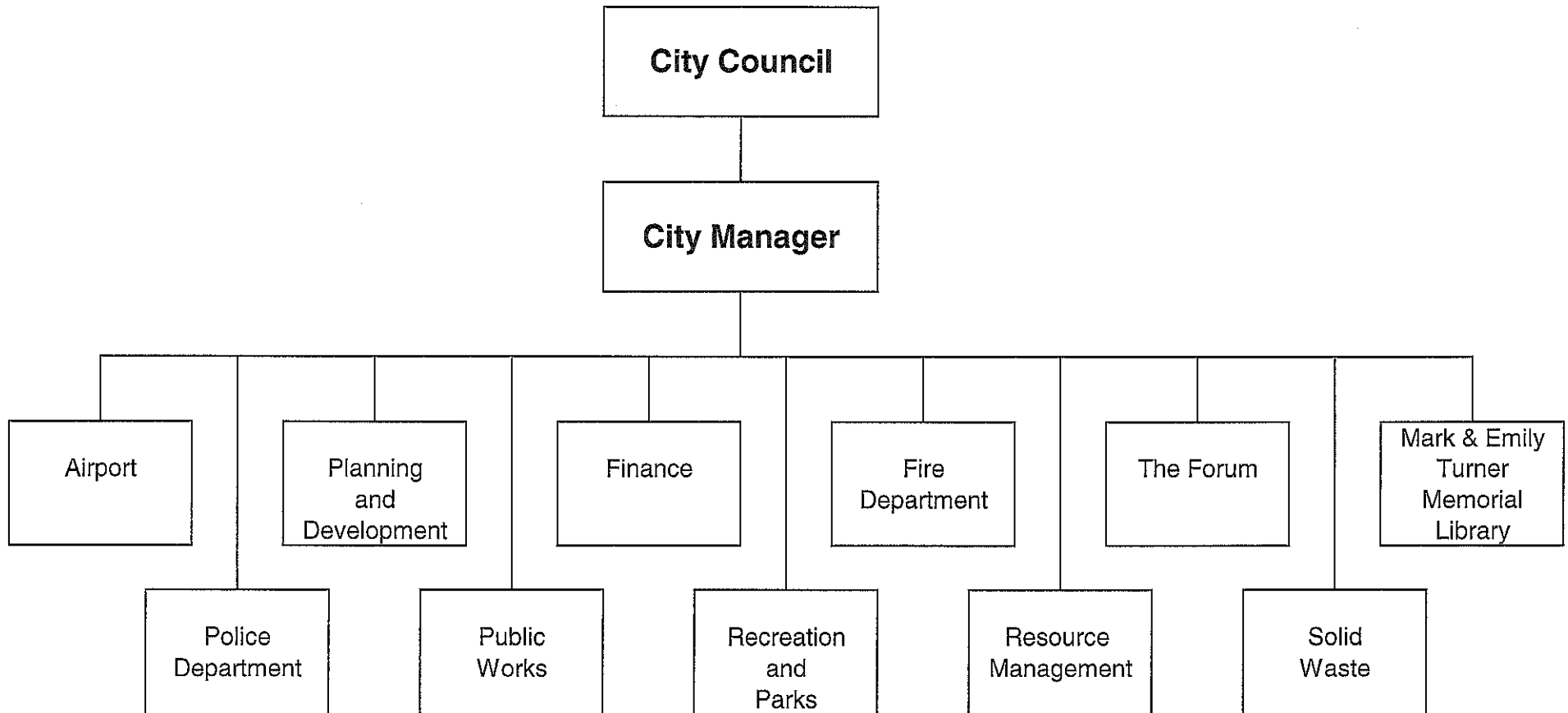
A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emmer".

Executive Director

The City of Presque Isle
Administrative Organizational Structure



**CITY OF PRESQUE ISLE
LIST OF PRINCIPAL OFFICIALS
AT DECEMBER 31, 2009**

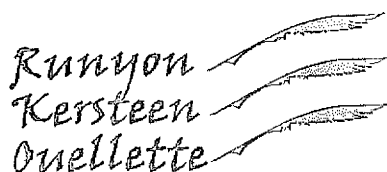
Elected Officials

City Council Chair	Edwin Nickerson
City Council Deputy Chair	Jennifer Trombley
Council Member	Walter Elish
Council Member	Don Gardner
Council Member	Calvin Hall
Council Member	G. Melvin Hovey
Council Member	Randy Smith

Appointed Officials

City Manager	Thomas R. Stevens
Airport Manager	Scott Wardwell
Finance Director	Priscilla Webb
Fire Chief	Darrell White
The Forum Director	James Kaiser
Librarian, Mark and Emily Turner Memorial Library	Sonja Plummer-Morgan
Planning and Development Director	Kenneth Arndt
Police Chief	Naldo Gagnon
Public Works Director	Gerry James
Recreation and Parks Director	Christopher Beaulieu
Resource Management Director	LaNiece Winslow
Solid Waste Director	Dana Fowler

FINANCIAL SECTION



Certified Public Accountants and Business Consultants

Independent Auditor's Report

City Council
City of Presque Isle, Maine

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Presque Isle, Maine as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Presque Isle, Maine's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Presque Isle, Maine, as of December 31, 2009, and the respective changes in financial position thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 7, 2010, on our consideration of the City of Presque Isle, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

City Council
City of Presque Isle, Maine

The management's discussion and analysis and schedule of funding progress for retiree healthcare plan as listed in the table of contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Presque Isle, Maine's basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



April 7, 2010
South Portland, Maine

CITY OF PRESQUE ISLE
Management's Discussion and Analysis
December 31, 2009

As management of the City of Presque Isle, we offer this narrative overview and analysis of the financial activities of the City of Presque Isle for the fiscal year ended December 31, 2009. We encourage readers to consider the information presented here along with additional information that is furnished in our letter of transmittal which can be found on pages 1-4 of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the City of Presque Isle exceeded its liabilities at the close of 2009 by \$59,718 (net assets).
- The City's total net assets increased \$4,179; a 7.5% increase.
- Of this amount, \$6,707 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors. This is a decrease of \$1,168 from 2008.
- As of the close of the current fiscal year, the City of Presque Isle's governmental funds reported combined ending fund balances of \$7,735, a decrease of \$1,672 from the previous year. Approximately 84 percent of this total amount, \$6,532, is available for spending at the government's discretion (*unreserved, undesignated fund balance*).
- At December 31, 2009, unreserved, undesignated fund balance for the general fund was \$2,796 or 15.7 percent of total general fund expenditures, including transfers out.
- In 2009 the City of Presque Isle's debt decreased \$372 (6 percent) due to:
 - \$763 used to pay-off two bank loans with terms of 5 and 8 years,
 - \$770 advanced on a Bond Anticipation Note, short-term financing to fund the construction of the Landfill Expansion, and
 - \$379 was paid on previously issued debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Presque Isle's basic financial statements. The City's financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements are designed to provide readers with a broad overview of the City of Presque Isle's finances. These statements are presented using the accrual basis of accounting which is similar to the accounting method used by most private sector businesses. There are two Government-Wide Financial Statements, the *statement of net assets* and the *statement of activities*.

The *statement of net assets* presents information on all of the City of Presque Isle's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, you may also need to consider other non-financial factors, such as changes in the City's property tax base and the condition of the City's infrastructure, to assess the overall health of the City's financial position.

The *statement of activities* presents information showing how the City's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event causing the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused employee vacation leaves).

For the City of Presque Isle all activities are classified as *governmental activities* because they are principally supported by taxes and intergovernmental revenues.

The government-wide financial statements can be found on pages 25-26 of this report.

CITY OF PRESQUE ISLE
Management's Discussion and Analysis, Continued

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Presque Isle, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City are categorized as governmental.

Governmental Funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, governmental fund financial statements are reported using an accounting method called *modified accrual* that measures cash and all other financial assets that can readily be converted to cash. Such information may be useful in evaluating a government's short-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *government funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the city's short term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between *governmental funds* and *governmental activities*.

The City of Presque Isle maintains individual governmental funds for specific purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, UDAG revolving loan fund, secured landfill fund, and airport projects, all of which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Presque Isle adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 27-30 of this report.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 31-45 of this report.

Other information The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the financial statements. Combining and individual fund statements can be found on pages 49-78 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve as a useful indicator over time of a government's financial position. For the City of Presque Isle, assets exceeded liabilities by \$59,718 at December 31, 2009.

By far the largest portion of the City of Presque Isle's net assets (88 percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment) less outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF PRESQUE ISLE
Management's Discussion and Analysis, Continued

City of Presque Isle Statement of Net Assets At December 31, 2009 and 2008		
	2009	2008
Current and other assets	\$ 12,083	\$ 12,788
Capital assets	58,194	53,287
Total assets	70,277	66,075
Long term debt outstanding	7,041	7,355
Other liabilities	3,518	3,180
Total liabilities	10,559	10,535
Net assets		
Invested in capital assets, net of related debt	52,404	47,124
Restricted	607	540
Unrestricted	6,707	7,875
Total net assets	\$ 59,718	\$ 55,539

An additional portion of the City of Presque Isle's net assets (1 percent) represents resources that are subject to external restrictions on how they may be spent. The remaining balance is *unrestricted net assets* (11 percent) and may be used to meet the City's ongoing obligation to citizens and creditors.

At the end of the current fiscal year, the City of Presque Isle is able to report a positive balance in all three categories of net assets for the government as a whole. Three of its five major governmental funds also had positive balances, the two with deficits are:

- Airport Projects, a deficit of \$267 due to expenditures that have not yet been reimbursed by the Federal Aviation Administration, and
- Solid Waste Expansion, a deficit of \$4,208 for construction costs advanced on a Bond Anticipation Note. The project is expected to be completed and funded by a Bond from the US Department of Agriculture in 2010.

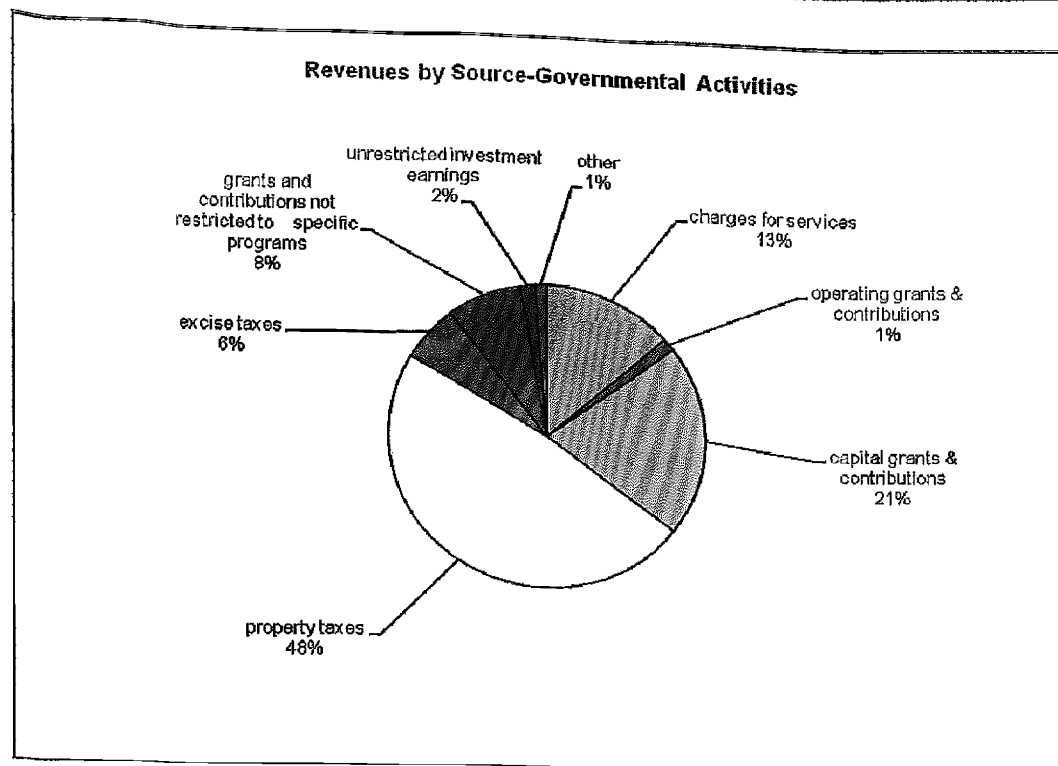
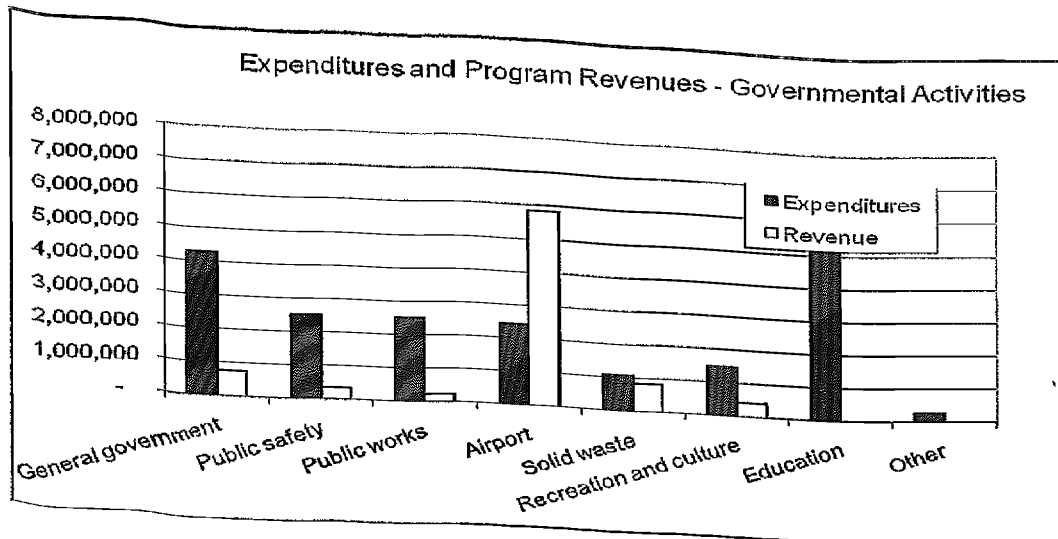
The City's net assets increased \$4,179 during the fiscal year. This increase is primarily attributable to grants from the Federal Aviation Administration to improve the airport runways and to install a fence around the airport.

CITY OF PRESQUE ISLE
Management's Discussion and Analysis, Continued

City of Presque Isle Statement of Changes in Net Assets For the Years Ending December 31, 2009 and 2008		
	2009	2008
Revenues		
Program revenues		
Charges for services	\$ 3,191	\$ 3,494
Operating grants and contributions	327	234
Capital grants and contributions	4,921	7,268
General Revenues		
Property taxes	11,603	10,694
Excise taxes	1,493	1,509
Grants and contributions not restricted to specific programs	1,846	2,361
Unrestricted investment earnings	360	271
Other	218	491
Total revenues	23,959	26,322
Expenditures		
Current		
General government	4,259	4,336
Public safety	2,527	2,622
Public works	2,511	2,773
Airport	2,438	2,323
Solid waste	1,070	1,175
Recreation and culture	1,502	1,534
Education	5,218	4,981
Outside requests	59	59
Interest on debt service	196	163
Total Expenditures	19,780	19,966
Increase (decrease) in net assts	4,179	6,356
Net Assets -- January 1	55,539	49,183
Net Assets -- December 31	\$ 59,718	\$ 55,539

Governmental Activities. Governmental activities resulted in an increase in the City of Presque Isle's net assets of \$4,179. The following graphs illustrate total expenditures and revenues by program and revenues by source for all governmental activities.

CITY OF PRESQUE ISLE
Management's Discussion and Analysis, Continued



Governmental Activities (continued) the amount of increase is \$2,177 lower than 2008 due to:

- Revenues decreased \$2,362 because of a decreases in the grants from the FAA for airport improvements, and there were no roads annexed by the City from Maine Department of Transportation;
- Expenditures decreased \$185.

Financial Analysis of the Government's Funds

As noted earlier, the City of Presque Isle uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The financial reporting focus of the City of Presque Isle's *governmental funds* is to provide information on short-term inflows, outflows and balance of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

CITY OF PRESQUE ISLE
Management's Discussion and Analysis, Continued

As of December 31, 2009, the City of Presque's governmental funds reported combined ending fund balances of \$7,736 a decrease of \$1,672 from the prior year. Approximately 85 percent of this total amount (\$6,576) constitutes *unreserved fund balance*, which is available to meet the future financial needs of the City. The remainder of the fund balance (\$1,159) is *reserved* to indicate that it is not available for new spending because it has already been committed:

- \$918 to account for loans receivable in the UDAG Revolving Fund;
- \$221 to account for an interfund advance from the UDAG Revolving Fund; and
- \$20 nonexpendable principal in the Permanent Funds.

The *general fund* is the central operating fund of the City of Presque Isle. At the end of the current year, unreserved fund balance of the general fund was \$2,840 (\$44 of which was designated by management for subsequent years' expenditures). At the end of the year there was no *reserved* fund balance in the general fund. Unreserved fund balance represents 17 percent of the total general fund expenditures of \$16,673.

The general fund balance of the City of Presque Isle decreased \$269 during the current fiscal year. Significant factors in the decrease include:

- Total actual revenues were \$207 above budget.
- Total expenditures were \$193 below budget.
- There was a budgeted use of surplus of \$669:
 - \$639 was used to pay down long-term debt;
 - \$30 was use transferred to the Industrial Council Capital Reserve.

The *UDAG Revolving Fund* manages funds from the Federal Government and is used as a revolving fund for the purpose of lending money for economic development. Currently there are 11 loans outstanding totaling \$918 net of a reserve for loss in the amount of \$180 for one borrower who has filed for bankruptcy protection, one inter-city loan in the amount of \$221, and \$912 available for lending.

At the end of the year the *UDAG Revolving Fund* had a reserved fund balance of \$1,139 and an unreserved, undesignated fund balance of \$912.

The *Solid Waste Expansion Fund* is used to manage the costs of the Landfill Expansion Project. Total cost is estimated at \$6,310,000, expected to be completed in 2010, and will be funded by a loan from the United States Department of Agriculture.

The *Airport Projects Fund* is used to monitor the construction projects at the airport that are primarily funded by the Federal Aviation Administration. The deficit in this fund reflects the costs that have been paid and not yet reimbursed.

Other governmental funds include the activities of all other nonmajor special revenue funds, nonmajor capital projects funds and nonmajor permanent funds.

General Fund Budgetary Highlights

The originally adopted budget was decreased by \$1,936; \$535 due to lower than estimated revenues from state revenue sharing and to lower than budgeted revenue (and expenses) from fuel sales at the Airport.

The General Fund budget overall (on a budgetary basis of accounting), ended the year with revenue exceeding estimates by \$207, and expenditures were \$193 below estimates. An additional amount of \$669, budgeted use of surplus, was used primarily to reduce long term debt.

Revenues for the General Fund (on the budgetary basis of accounting) totaled \$17,571 in 2009.

CITY OF PRESQUE ISLE
Management's Discussion and Analysis, Continued

For both the current and prior year, real estate taxes represent the largest revenue source \$11,572 or 65.9% of all general fund revenues; an increase of \$1,117 or 10% from the previous year is due to increases in both the School (\$237) and City (\$246) Budgets, in addition the Council elected not to use Surplus (\$550) to reduce taxes as was done in 2008. Excise tax collections of \$1,434 represent 8.2% of total revenues have decreased 2% from the previous year.

Intergovernmental Revenues of \$1,864 or 10.6% of total revenues decreased \$526 from 2008 due to a decrease in State revenue sharing payments.

Charges for Services of \$2,053 or 11.7% of total revenues is a decrease of \$269, due primarily to a decrease in fuel sales at the airport.

The following schedules provide a summary of General Fund revenues and expenditures on the budgetary basis of accounting for the year 2009 and the increases and decreases from 2008.

Revenues	Amount	Percent of Total	Increase/ (Decrease) from 2008
Taxes:			
Real Estate	\$ 11,572	65.9%	\$ 1,117
Excise	1,434	8.2%	(18)
Licenses, Permits, and Fees	178	1.0%	(54)
Intergovernmental	1,864	10.6%	(525)
Charges for Services	2,053	11.7%	(269)
Unclassified	381	2.2%	75
Interest Earned	49	0.3%	(37)
Transfers from other funds	40	0.2%	(109)
Total	\$ 17,571	100.0%	\$ 180

Expenditures	Amount	Percent of Total	Increase/ (Decrease) from 2008
General Government	\$ 2,878	16.1%	\$ (63)
Public Safety	2,175	12.2%	(75)
Public Works	2,077	11.6%	(9)
Airport	1,214	6.8%	(355)
Solid Waste	522	2.9%	(35)
Recreation and Culture	1,256	7.0%	(104)
Education	5,218	29.2%	237
Agency	60	0.3%	1
Intergovernmental	561	3.1%	6
Other	128	0.7%	(44)
Debt Service	1,178	6.6%	752
Transfers Out	573	3.2%	(218)
Total	\$ 17,840	100.0%	\$ 93

Expenditures of the General Fund (on the budgetary basis of accounting) totaled \$17,840 during the year ended December 31, 2009.

CITY OF PRESQUE ISLE
Management's Discussion and Analysis, Continued

Education expenditures of \$5,218 represent 29.2% of total expenditures.

The decrease in airport expenditures of \$355 was due to decreased fuel sales.

The increase in debt service was due to the payoff of two long term bank loans. This will decrease annual debt service by \$140.

Capital Asset and Debt Administration

Capital Assets As of December 31, 2009, the City of Presque Isle's investment in capital assets was \$58,194 (net of depreciation), an increase of \$4,908 or 9 percent from December 31, 2008. This investment in capital assets includes buildings, improvements, machinery, equipment, roads, and airport fencing and runways.

City of Presque Isle		
Schedule of Capital Assets (net of depreciation)		
At December 31, 2009 and 2008		
	2009	2008
Land	\$ 5,407	\$ 5,407
Construction in progress	8,574	9,154
Works of art and Historical treasures	698	698
Buildings and Improvements	12,888	12,321
Improvements other than buildings	1,876	1,984
Machinery & equipment	2,023	2,289
Vehicles	2,211	2,484
Infrastructure	24,512	18,944
Total	<u>\$ 58,194</u>	<u>\$ 53,286</u>

Major capital asset events during the current fiscal year include:

- Began construction of fencing around the airport \$1,227
- Continued reconstruction on runways at the airport, \$2,782;
- An additional \$1,552 was spent on the landfill expansion project bringing the total to \$4,208;

Additional information about the City of Presque Isle's capital assets can be found in the notes to the financial statements on pages 37-38 of this report.

Long-term debt. At the end of the current fiscal year, the City of Presque Isle had total bonded debt outstanding of \$2,833. All of the City's outstanding bonded debt is backed by the full faith and credit of the City.

CITY OF PRESQUE ISLE
Management's Discussion and Analysis, Continued

City of Presque Isle		
Schedule of General Obligation Bonds		
At December 31, 2009 and 2008		
	2009	2008
General obligation bonds	\$ 2,833	3,166
Total	2,833	3,166

The City of Presque Isle's total bonded debt decreased by \$333 or 10.5 percent during the year ended December 31, 2009.

State statutes limit the amount of general obligation debt a municipality may incur to 7.5 percent of its total state assessed valuation. The current debt limitation for the City is \$38,670, which is significantly in excess of the City of Presque Isle's outstanding general obligation debt.

In addition, the City has \$159 outstanding in bank loans, a reduction of \$808 from December 31, 2008.

Additional information on the City of Presque Isle's long-term debt can be found in the notes to the financial statements on pages 38-39 of this report.

Economic Factors and Next Year's Budget

In preparing the 2010 budget, the City management and officials considered many factors in making judgments and estimates about the finances of the upcoming year. A primary objective was to continue to provide basic services to the citizens of the City while attempting to keep the property tax low.

During the 2010 fiscal year the City's management will continue to monitor and evaluate local economic conditions. Items of concern include:

Revenue projections:

- A reduction in the Municipal Revenue Sharing pool resulting from a slowdown in sales tax receipts and changes in how the State calculates the revenue sharing pool;
- A weakening in consumer confidence may translate into lower vehicle excise revenues, tax collections, and building permits;
- Decreasing interest rates may lead to reduced investment income.

Expenditure projections:

- Continuing uncertainty in the State budget regarding local school funding is a concern. While the school district is separate from the City, the City is responsible for 76 percent of the School District's funding at this time. Currently the school district requires an increase of 3 percent each year to maintain its current level of services. If the state should decrease its funding, the City would need to proportionately increase its share.

Requests for Information

This financial report is designed to provide a general overview of the City of Presque Isle's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 12 Second Street, Presque Isle, Maine 04769.

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BASIC FINANCIAL STATEMENTS

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CITY OF PRESQUE ISLE, MAINE
Statement of Net Assets
December 31, 2009

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 8,497,394
Investments	556,654
Due from other governments	896,070
Accounts receivable	182,455
Taxes receivable	829,060
Tax liens and tax acquired property	203,112
Loans receivable (net of allowance of \$182,988)	918,041
Capital assets, not being depreciated	14,681,488
Capital assets, net of accumulated depreciation	43,512,957
Total assets	70,277,231
LIABILITIES	
Accounts payable	600,955
Accrued liabilities	85,702
Accrued interest	33,473
Bond anticipation notes payable	2,798,272
Non-current liabilities:	
Due within one year	524,695
Due in more than one year	6,516,042
Total liabilities	10,559,139
NET ASSETS	
Invested in capital assets, net of related debt	52,403,992
Restricted for:	
Permanent Funds - Nonexpendable principal	20,000
Permanent Funds - Expendable	587,019
Unrestricted	6,707,081
Total net assets	\$ 59,718,092

See accompanying notes to financial statements.

CITY OF PRESQUE ISLE, MAINE
Statement of Activities
For the year ended December 31, 2009

Functions/programs	Expenses	Program Revenues			Net (expense) revenue and changes in net assets
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government
					Governmental activities
Primary government:					
Governmental activities:					
General government	\$ 4,259,006	732,549	-	-	(3,526,457)
Public safety	2,526,579	152,242	194,256	-	(2,180,081)
Public works	2,511,224	15,623	-	188,308	(2,307,293)
Airport	2,437,749	1,117,367	-	4,732,200	3,411,818
Solid waste	1,069,839	733,021	128,653	-	(208,165)
Recreation and culture	1,501,938	440,594	4,369	-	(1,056,975)
Education	5,218,390	-	-	-	(5,218,390)
Outside requests	59,915	-	-	-	(59,915)
Interest on debt service	196,329	-	-	-	(196,329)
Total governmental activities	19,780,969	3,191,396	327,278	4,920,508	(11,341,787)
Total primary government	\$ 19,780,969	3,191,396	327,278	4,920,508	(11,341,787)
General revenues:					
Property taxes, levied for general purposes				\$	11,603,254
Motor vehicle excise taxes					1,433,630
Cable television franchise					60,017
Grants and contributions not restricted to specific programs:					
State Revenue Sharing					1,345,315
Homestead exemption					318,327
Other State aid					182,243
Unrestricted investment earnings					359,675
Miscellaneous					218,003
Total general revenues					15,520,464
Change in net assets					4,178,677
Net assets - beginning					55,539,415
Net assets - ending					\$ 59,718,092

See accompanying notes to financial statements.

CITY OF PRESQUE ISLE, MAINE
Balance Sheet
Governmental Funds
December 31, 2009

	General	UDAG Revolving Fund	Solid Waste Expansion	Airport Projects	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 8,447,029	-	-	-	50,365	8,497,394
Investments	-	-	-	-	556,654	556,654
Due from other governments	896,070	-	-	-	-	896,070
Accounts receivable	182,455	-	-	-	-	182,455
Taxes receivable	829,060	-	-	-	-	829,060
Tax liens and tax acquired property	203,112	-	-	-	-	203,112
Loans receivable (net of allowance of \$180,313)	-	918,041	-	-	-	918,041
Interfund loans receivable	-	911,959	-	-	6,966,562	7,878,521
Interfund advance	-	221,450	-	-	-	221,450
Total assets	\$ 10,557,726	2,051,450	-	-	7,573,581	20,182,757
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	600,955	-	-	-	-	600,955
Accrued liabilities	85,702	-	-	-	-	85,702
Interfund loans payable	6,168,988	-	1,409,978	266,577	32,978	7,878,521
Bond anticipation notes payable	-	-	2,798,272	-	-	2,798,272
Interfund advance	-	-	-	-	221,450	221,450
Deferred tax revenue	862,000	-	-	-	-	862,000
Total liabilities	7,717,645	-	4,208,250	266,577	254,428	12,446,900
Fund balances (deficit):						
Reserved for:						
Nonexpendable principal	-	-	-	-	20,000	20,000
Loans receivable	-	918,041	-	-	-	918,041
Interfund advances	-	221,450	-	-	-	221,450
Unreserved, reported in:						
General fund - designated	44,065	-	-	-	-	44,065
General fund - undesignated	2,796,016	-	-	-	-	2,796,016
Special revenues	-	911,959	-	-	2,815,487	3,727,446
Capital projects	-	-	(4,208,250)	(266,577)	3,896,647	(578,180)
Permanent funds	-	-	-	-	587,019	587,019
Total fund balances (deficit)	2,840,081	2,051,450	(4,208,250)	(266,577)	7,319,153	7,735,857
Total liabilities and fund balances	\$ 10,557,726	2,051,450	-	-	7,573,581	
Amounts reported for governmental activities in the statement of net assets are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						58,194,445
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.						862,000
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds:						
Accrued compensated absences						(463,750)
Accrued interest						(33,473)
Other postemployment benefits liability						(332,340)
Landfill closure						(3,252,466)
Bonds and notes payable						(2,992,181)
Net assets of governmental activities						\$ 59,718,092

See accompanying notes to financial statements.

CITY OF PRESQUE ISLE, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2009

	General	UDAG Revolving Fund	Solid Waste Expansion	Airport Projects	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 13,005,884	-	-	-	-	13,005,884
Intergovernmental	1,863,528	-	-	4,732,200	497,943	7,093,671
Licenses, permits, and fees	177,825	-	-	-	116,069	293,894
Charges for services	2,052,743	-	-	-	629,884	2,682,627
Unclassified	344,717	2,675	-	26,308	119,195	492,895
Interest earned	49,498	126,290	-	-	183,887	359,675
Total revenues	17,494,195	128,965	-	4,758,508	1,546,978	23,928,646
Expenditures:						
Current:						
General government	2,892,113	-	-	-	339,202	3,231,315
Public safety	2,177,857	-	-	-	183,065	2,360,922
Public works	1,987,641	-	-	-	17,745	2,005,386
Airport	1,213,691	-	-	4,953,603	14,338	6,181,632
Solid waste	3,825	-	-	-	853,006	856,831
Recreation and culture	1,256,205	-	-	-	298,358	1,554,563
Education	5,218,390	-	-	-	-	5,218,390
Outside requests	59,915	-	-	-	-	59,915
Intergovernmental	560,973	-	-	-	-	560,973
Unclassified	124,646	133	-	-	4,527	129,306
Debt service	1,177,765	-	-	-	392,529	1,570,294
Capital outlay	-	-	1,551,722	-	319,692	1,871,414
Total expenditures	16,673,021	133	1,551,722	4,953,603	2,422,462	25,600,941
Excess (deficiency) of revenues over (under) expenditures	821,174	128,832	(1,551,722)	(195,095)	(875,484)	(1,672,295)
Other financing sources (uses):						
Transfers in	93,962	-	-	25,000	2,457,225	2,576,187
Transfers out	(1,183,809)	(490,300)	-	-	(902,078)	(2,576,187)
Total other financing sources (uses)	(1,089,847)	(490,300)	-	25,000	1,555,147	-
Net change in fund balances	(268,673)	(361,468)	(1,551,722)	(170,095)	679,663	(1,672,295)
Fund balances (deficit), beginning of year	3,108,754	2,412,918	(2,656,528)	(96,482)	6,639,490	9,408,152
Fund balances (deficit), end of year	\$ 2,840,081	2,051,450	(4,208,250)	(266,577)	7,319,153	7,735,857

See accompanying notes to financial statements.

CITY OF PRESQUE ISLE, MAINE
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended December 31, 2009

Net change in fund balances - total governmental funds (from Statement 4)	\$	(1,672,295)
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Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$7,323,377) exceeded depreciation expense (\$2,415,559).		4,907,818
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This represents the change in deferred revenues.		31,000
Change in accruals are recorded on the statement of net assets, but not on the governmental fund balance sheet - decrease in accrued interest (\$5,764), and increase in compensated absences (\$38,168) and other postemployment benefits liability (\$166,170).		(198,574)
Changes in long-term liabilities on the statement of net assets, are expenditures in the governmental funds. This is the change of the landfill closure liability.		(30,753)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount of repayments.		1,141,481

Change in net assets of governmental activities (see Statement 2)	\$	4,178,677
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See accompanying notes to financial statements.

CITY OF PRESQUE ISLE, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis - General Fund
For the year ended December 31, 2009

	Budget		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 13,001,373	12,966,373	13,005,884	39,511
Intergovernmental	2,335,360	1,809,110	1,863,528	54,418
Licenses, permits, and fees	167,925	172,925	177,825	4,900
Charges for services	3,328,675	1,983,400	2,052,743	69,343
Unclassified	327,050	316,925	381,492	64,567
Interest earned	100,000	75,000	49,498	(25,502)
Total revenues	19,260,383	17,323,733	17,530,970	207,237
Expenditures:				
Current:				
General government	3,029,850	2,936,575	2,877,787	58,788
Public safety	2,204,500	2,156,125	2,175,296	(19,171)
Public works	2,261,025	2,143,975	2,077,327	66,648
Airport	2,465,050	1,208,650	1,213,691	(5,041)
Solid waste	565,300	521,900	521,900	-
Recreation and culture	1,333,825	1,308,400	1,256,205	52,195
Education	5,218,390	5,218,390	5,218,390	-
Agency	63,500	58,750	59,915	(1,165)
Intergovernmental	560,973	560,973	560,973	-
Other	170,095	166,870	127,871	38,999
Debt service	576,875	1,179,440	1,177,765	1,675
Total expenditures	18,449,383	17,460,048	17,267,120	192,928
Excess (deficiency) of revenues over (under) expenditures	811,000	(136,315)	263,850	400,165
Other financing sources (uses):				
Budgeted use of surplus	-	668,838	-	(668,838)
Transfer in	-	40,300	40,300	-
Transfers out	(811,000)	(572,823)	(572,823)	-
Total other financing sources (uses)	(811,000)	136,315	(532,523)	(668,838)
Net change in fund balance	-	-	(268,673)	(268,673)
Fund balance, beginning of year			3,108,754	
Fund balance, end of year	\$		2,840,081	

See accompanying notes to financial statements.

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Presque Isle, Maine functions under a City Manager - City Council form of government.

The financial statements of the City of Presque Isle have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

This report includes all funds of the City of Presque Isle, Maine. An analysis of certain criteria was made to determine if other governmental units should be included in this report. In evaluating how to define the reporting entity for financial reporting purposes, management has considered all potential component units. The criterion used defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens.

It is the City's judgment, based on all pertinent facts derived from the analysis of these criteria, that there are no entities that would be considered potential component units within the City of Presque Isle that should be included as part of these financial statements.

Related Organization

The Presque Isle Industrial Council is organized to formulate and implement an industrial development program for the City of Presque Isle, Maine. The Industrial Council is also responsible for the management of the Skyway Industrial Park. All debt held by the Presque Isle Industrial Council is guaranteed by the City.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City has elected not to allocate indirect costs among the programs, functions and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The City does not have proprietary or fiduciary funds.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The UDAG Revolving Loan Fund accounts for the UDAG loan funds held by the City.

The Solid Waste Expansion fund accounts for the expansion of the landfill.

The Airport Projects fund accounts for various airport projects funded by the Federal Aviation Administration.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as time deposits and certificates of deposit owned by the City. State statutes authorize the City to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, money market mutual funds and repurchase agreements.

Investments are stated at fair value.

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

E. Interfund Loans

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "interfund loans receivable" or "interfund loans payable" on the balance sheet.

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. If material, interest incurred during the construction phase of capital assets of governmental activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	5 - 50
Buildings	25 - 50
Building improvements	5 - 40
Furniture and fixtures	5 - 50
Vehicles	5 - 30
Machinery and equipment	2 - 30
Infrastructure	5 - 50

G. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The City provides vesting for vacation and sick leave benefits based upon length of employment. All vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

H. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities on the statement of net assets.

I. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

J. Interfund Transactions

Interfund services provided and used are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except internal services provided and used for transactions and reimbursements, are reported as transfers.

K. Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data has not been presented in all statements because its inclusion would make certain statements unduly complex and difficult to understand.

L. Use of Estimates

Preparation of the City's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The City's net assets invested in capital assets, net of related debt was calculated as follows at December 31, 2009:

	Governmental activities
Capital assets	\$ 97,888,484
Accumulated depreciation	(39,694,039)
Bond anticipation note payable	(2,798,272)
Bonds and notes payable	(2,992,181)
<u>Total invested in capital assets, net of related debt</u>	<u>\$ 52,403,992</u>

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

An annual budget is adopted by the City Council for the General Fund. The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the department level.

The City employs encumbrance accounting in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. The City did not have outstanding encumbrances at year end.

B. Excess of Expenditures Over Appropriations

For the year ended December 31, 2009, expenditures exceeded appropriations in the following categories:

Insurance	\$ 4,303	Airport	5,041
Legal services	8,211	Outside requests	1,165
Police department	36,678	Elections	4,735
Fire department	859		

Police department overages were covered by excess intergovernmental and miscellaneous income.

C. Deficit Fund Balances

At December 31, 2009, the following funds had deficit fund balances:

Airport projects	\$ 266,577	After school grant	9,925
Solid waste expansion	4,208,250	Secured landfill	32,978
Homeland security	160	Police department reserves	623
Planning & development grants	9,233	Cunningham School	221,450
CDBG revitalization grant	29,325	Septic systems	2,480

These deficits will be funded by future grant revenue, charges for services, bond proceeds, or transfers.

DEPOSITS AND INVESTMENTS

As of December 31, 2009, the City had the following investments and maturities, some of which are classified as cash and cash equivalents:

	<u>Fair value</u>	<u>Less than 1 year</u>	<u>1-5 years</u>	<u>More than 5 years</u>
Money market	\$ 146,770	146,770	-	-
Federal Home Loan Bank	104,399	-	104,399	-
Federal Farm Credit Bank	52,234	-	52,234	-
Corporate bonds	52,018	52,018	-	-
Common stock	207,978		not applicable	
Mutual funds	142,025		not applicable	
Total investments	\$ 703,424	198,788	156,633	-

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

DEPOSITS AND INVESTMENTS, CONTINUED

Custodial credit risk- deposits – In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As of December 31, 2009, none of the City's bank balance of \$8,363,029 was exposed to custodial credit risk. In accordance with its investment policy, the City's funds can only be invested in financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Share Insurance Fund or the successors to these federal agencies. Any funds deposited or invested above the \$250,000 insurance limit should be collateralized by the financial institution, or the excess funds should be placed with another financial institution.

Custodial credit risk- investments – For investments, this is the risk that in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Of the City's \$146,770 investment in money market accounts, 100% was collateralized by underlying securities held by the related bank, in the City's name. In accordance with its investment policy, the City's funds can only be invested in financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Share Insurance Fund or the successors to these federal agencies. Any funds deposited or invested above the \$250,000 insurance limit should be collateralized by the financial institution, or the excess funds should be placed with another financial institution.

Credit risk – Maine statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. U.S. Treasury Notes are not rated. As of December 31, 2009, the City's investments in Federal Home Loan Banks and Federal Home Loan Mortgage were rated AAA by Standard & Poor's. The City's investments in corporate bonds were rated A by Standard and Poor's. The City currently does not have an investment policy for credit risk.

Interest rate risk – Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates have subsequently increased. Accordingly, holders of debt securities in the situation just described face the prospect of a loss should those securities be sold prior to maturity, even though cash flows under the debt contract remain unaffected by changes in interest rates. The City currently does not have a deposit policy for interest rate risk.

PROPERTY TAX

Property taxes for the current period were committed on July 1, 2009 on the assessed value listed as of the prior April 1 for all real and personal property located in the City. Assessed values are periodically established by the City's Assessor at 100% of assumed market value.

The City is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$51,720 for the year ended December 31, 2009.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The City has the authority to foreclose on property eighteen months after the filing of the lien if the tax liens and associated costs remain unpaid.

Property taxes levied during the period were recorded as receivables at the time the levy was made. The receivables collected during the period and in the first sixty days following the end of the period have been recorded as revenues. The remaining receivables have been recorded as deferred revenues.

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

PROPERTY TAX, CONTINUED

The following summarizes the levy:

	<u>2009</u>	<u>2008</u>
Assessed value	\$ 473,076,800	461,977,300
Tax rate (per \$1,000)	24.521	23.15
Commitment	11,600,316	10,694,774
Add:		
Supplementals	16,032	11,487
Total commitment	11,616,348	10,706,261
Less:		
Abatements	4,537	20,045
Collections	10,813,343	9,937,132
Current year taxes receivable at end of year	798,468	749,084
Taxes and liens receivable - prior years	252,382	313,649
Total taxes and liens receivable	\$ 1,050,850	1,062,733
Due date:	October 15, 2009	October 15, 2008
Interest rate on delinquent taxes	9.00%	11.00%
Collection rate	93.12%	93.00%

CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended December 31, 2009 was as follows:

	Balance December 31, <u>2008</u>	<u>Increases</u>	<u>Decreases</u>	Balance December 31, <u>2009</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,407,812	-	-	5,407,812
Construction in progress	9,154,951	5,648,157	6,228,422	8,574,686
Works of art & historical treasures	698,990	-	-	698,990
Total capital assets not being depreciated	15,261,753	5,648,157	6,228,422	14,681,488
Capital assets, being depreciated:				
Land improvements	8,644,609	29,412	-	8,674,021
Buildings	22,704,088	-	-	22,704,088
Building improvements	6,249,744	1,242,705	-	7,492,449
Furniture and fixtures	196,463	22,538	-	219,001
Machinery and equipment	4,807,083	39,218	-	4,846,301
Vehicles	5,200,034	53,022	116,713	5,136,343
Infrastructure	27,618,046	6,516,747	-	34,134,793
Total capital assets being depreciated	75,420,067	7,903,642	116,713	83,206,996

CAPITAL ASSETS, CONTINUED

Governmental activities capital assets, net	\$ 53,286,627	11,136,240	6,228,422	58,194,445
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General government	\$ 412,212
Public safety	177,796
Public works	615,432
Airport	885,624
Solid waste	178,082
Recreation	146,413

Total depreciation expense	\$ 2,415,559
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Long-term liability activity for the year ended December 31, 2009, was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities:					
General obligation bonds	\$ 3,166,684	-	333,250	2,833,434	258,643
Notes payable	966,978	-	808,231	158,747	52,281
Landfill closure	3,221,713	30,753	-	3,252,466	-
Other postemployment benefits	166,170	166,170	-	332,340	-
Compensated absences	425,582	242,620	204,452	463,750	213,771
Governmental activities long-term liabilities	\$ 7,947,127	439,543	1,345,933	7,040,737	524,695

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

Long-term debt payable at December 31, 2009 is comprised of the following:

	<u>Date of issue</u>	<u>Original amount issued</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance December 31, 2009</u>
Bonds payable:					
1988 Landfill Bond	7/7/1988	\$ 486,735	11/1/2011	5.00-7.85%	81,583
2001 Public Safety Building Bond	10/25/2001	2,600,000	11/1/2021	3.25-5.125%	1,560,000
2005 Ladder Truck Bond	3/18/2005	300,000	3/18/2012	4.40%	135,436
2007 Public Works Garage Bond	10/25/2007	1,145,000	11/1/2025	2.00-6.00%	1,056,415
Total bonds payable					2,833,434
Notes payable:					
2006 Plow Truck Note	5/2/2006	70,136	4/30/2011	4.71%	30,026
2008 Forum Lighting	4/22/2008	55,000	4/22/2013	3.75%	44,776
2008 Wheel Loader	5/20/2008	109,980	5/20/2012	3.75%	83,945
Total notes payable					158,747
Total bonds and notes payable					\$ 2,992,181

The annual requirements to amortize long-term debt outstanding as of December 31, 2009 are as follows:

	<u>Bonds payable</u>			<u>Notes payable</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 258,643	135,050	393,693	52,281	6,260	58,541
2011	265,815	122,017	387,832	54,392	4,149	58,541
2012	230,554	108,729	339,283	40,328	1,952	42,280
2013	183,329	100,092	283,421	11,746	440	12,186
2014	185,462	93,176	278,638	-	-	-
2015-2019	963,067	320,629	1,283,696	-	-	-
2020-2024	655,267	80,915	736,182	-	-	-
2025	91,297	1,826	93,123	-	-	-
Total	\$ 2,833,434	962,434	3,795,868	158,747	12,801	171,548

The City is subject to a statutory limitation, by the State of Maine, of its general long-term debt equal to 15% of the State's valuation of the City (only 7.5% is applicable to the City of Presque Isle). At December 31, 2009, the statutory limit for the City was \$38,670,000. The City's outstanding long-term debt of \$2,833,434 at December 31, 2009 was \$35,836,566 less than the statutory limit.

In addition to the notes and bonds payable, the City is contingently responsible for the following overlapping debt as of December 31, 2009:

<u>Governmental Unit</u>	<u>Net debt outstanding</u>	<u>Applicable to Presque Isle</u>	<u>City of Presque Isle's share of debt</u>
M.S.A.D. #1	\$ 2,832,005	75.80%	2,146,660

The City of Presque Isle is a guarantor for the Presque Isle Industrial Council for a note payable to Northern Maine Development Commission. The amount of the note payable at December 31, 2009 was \$1,506.

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

SHORT-TERM DEBT

The City issues tax anticipation notes to cover cash shortfalls during the year. The City also issued bond anticipation notes for projects that will be funded by future bond issues. Short-term debt activity for the year ended December 31, 2009, was as follows:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>
Tax anticipation notes	\$ -	2,500,000	2,500,000	-
<u>Bond anticipation notes – Landfill</u>	<u>2,028,491</u>	<u>769,781</u>	<u>-</u>	<u>2,798,272</u>
Total	\$ 2,028,491	3,269,781	2,500,000	2,798,272

The City Council authorized debt not to exceed \$6,310,000 for a landfill project. The current bond anticipation notes outstanding will be paid off when the City issues general obligation bonds. The bond anticipation note is for a total of \$6,310,000 at an interest rate of 4.12% and is due on August 19, 2010.

LANDFILL

The City records a liability for the estimated costs of landfill closure and postclosure care, as required by government authorities. As of December 31, 2009, the estimated closure cost was \$3,323,263 and the estimated postclosure care cost was \$1,452,750 (\$48,425 per year) for a total estimated liability of \$4,776,013. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. A portion of these costs may ultimately be reimbursed by the State of Maine.

The landfill has an estimated remaining life in excess of 12 years. An estimated 68.1 percent of the landfill capacity has been used up as of December 31, 2009. The City has recognized a liability in the government-wide financial statements based on percentage used as of December 31, 2009, of \$2,263,143 for closure, and \$989,323 for postclosure costs for a total liability of \$3,252,466. The City voluntarily funds a reserve account for landfill closure and postclosure care, which had a balance of \$1,952,921 on December 31, 2009. The City also maintains a reserve account for solid waste activities, which had a balance of \$1,248,348 at the end of 2009. The total amount available in the reserve accounts is \$3,201,271.

INTERFUND BALANCES AND ADVANCES

As of December 31, 2009, interfund loans receivable and payable were as follows:

<u>Fund</u>	<u>Interfund receivable</u>	<u>Interfund payable</u>
General Fund	\$ -	6,168,988
UDAG Revolving Fund	911,959	-
Solid Waste Expansion	-	1,409,978
Airport Projects	-	266,577
Nonmajor Special Revenues:		
Special Revenues	77,959	-
Emergency Reserves	1,447,683	-
Restricted Reserves	1,289,845	-
Nonmajor Capital Projects:		
Secured Landfill	-	32,978
Reserves	786,542	-
Solid Waste Reserves	3,201,269	-
Restricted Reserves	9,059	-
Street Overlay	154,205	-
Total interfund balances	\$ 7,878,521	7,878,521

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

INTERFUND BALANCES AND ADVANCES, CONTINUED

The purpose of interfund loans is to charge revenues and expenditures to the appropriate fund when that activity is accounted for through the centralized checking account. The balances represent each fund's portion of the centralized checking account.

As of December 31, 2009, interfund advance receivable and payable were as follows:

<u>Fund</u>	<u>Interfund advance receivable</u>	<u>Interfund advance payable</u>
UDAG Revolving Fund	\$ 221,450	-
Nonmajor Capital Projects:		
Reserves	-	221,450
Total interfund advances	\$ 221,450	221,450

The purpose of the interfund advance was for the demolition of a building on the Cunningham School property. The advance will be repaid after the sale of the property.

INTERFUND TRANSFERS

As of December 31, 2009, interfund transfers were as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 93,962	1,183,809
UDAG Revolving Fund	-	490,300
Airport Projects	25,000	-
Nonmajor Special Revenues:		
Special Revenues	31,225	21,988
Emergency Reserves	90,875	-
Restricted Reserves	728,467	270,333
Nonmajor Capital Projects:		
Secured Landfill	523,176	584,757
Reserves	445,814	25,000
Solid Waste Reserves	547,982	-
Street Overlay	89,686	-
Total interfund transfers	\$ 2,576,187	2,576,187

The primary purpose of the transfers is to move unrestricted revenues from various funds to finance various programs and capital projects that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or match funds for various grant programs.

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

DESIGNATED AND RESERVED FUND BALANCES

As of December 31, 2009, general fund designated fund balance amounts were as follows:

Designated:	
Wage adjustments	\$ 40,000
Welcome signs	2,725
Drug/asset forfeiture	1,340
Total designated fund balances	\$ 44,065

As of December 31, 2009, UDAG Revolving reserved fund balance amounts were as follows:

Reserved:	
Loans receivable	\$ 918,041
Interfund advances	221,450
Total reserved fund balances	\$ 1,139,491

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM (MAINE PERS)

Description of the Plan - The City contributes to Maine Public Employees Retirement System, an agent multiple-employer public employee retirement system established by the Maine State legislature. The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State Legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan.

That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046 or by calling 1-800-451-9800.

The City's status as a withdrawn participating local district requires that the City continue to fund the plan on an actuarially sound basis for liabilities of any currently active, inactive vested, or retired participants. This plan is not available to any non-participating current employees or new hires. The City's participating employees are eligible for normal retirement upon attaining age 60 and early retirement after completing 25 or more years of service. Participants are fully vested after 10 years of service.

Funding Policy - Plan members are required to contribute 6.5% (8.0% for fire and police department employees) of their annual covered salary and the City of Presque Isle is required to contribute an actuarially determined rate. The current rate is 2.8% of covered payroll. The contribution rates of plan members and the City of Presque Isle are established and may be amended by the Maine Public Employee Retirement System Board of Trustees. The City's contributions to the Maine Public Employees Retirement System Consolidated Plan for the year ended December 31, 2009, 2008, and 2007 were \$45,902, \$42,624 and \$47,112, respectively, and were equal to the required contribution less the unfunded actuarial liability credit for each year.

Unfunded Actuarial Accrued Liability Credit - Effective June 30, 1996, the City withdrew from the Maine State Retirement System and opted not to join into the Consolidated Plan. As a participant of the plan, the City is entitled to its unfunded actuarial accrued asset. At June 30, 2009, the City had an unfunded actuarial accrued asset of \$1,144,194.

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

DEFINED CONTRIBUTION PLAN

The City of has established a 401 Retirement Plan to be effective as of July 1, 1996. Employees who were enrolled in the MainePERS plan as of July 1, 1996 have the option of changing to this plan. All eligible employees hired subsequent to July 1, 1996 will only be able to enroll in the 401 Retirement Plan. The plan was established as a money purchase pension plan and trust to be known as the City of Presque Isle Money Purchase Pension Plan and Trust. All employees with 1,000 hours of service within twelve consecutive months from the date of hire or any subsequent anniversary are eligible to participate in the plan. Benefits fully vest after four years of service.

Under the plan, the City is required to contribute 6% of a participant's earnings for the plan year. Participating police and fire personnel receive contributions of 8% of their earnings for the plan year. For the years ended December 31, 2009, 2008 and 2007, the City contributed \$175,903, \$144,551 and \$108,650, respectively. Plan provisions and contribution requirements are established and may be amended by the City Council.

DEFERRED COMPENSATION PLAN

The City of Presque Isle offers certain permanent employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to City employees as part of a collective bargaining agreement and to the City elected officials and assistants to department heads, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plan is being maintained by ICMA Retirement Corporation.

RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors, and omissions, and natural disasters for which the City either carries commercial insurance, or participates in public entity risk pools.

Based on the coverage provided by these pools, as well as certain coverage provided by commercial insurance purchased, the City is not aware of any material actual or potential claim liabilities which should be recorded at December 31, 2009.

CONTINGENT LIABILITIES

Grant Funds -- Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

TAX INCREMENT FINANCING DISTRICTS

The City has established three tax increment financing districts under the terms of applicable state laws. The Lowe's TIF is a credit enhancement agreement to help the company offset costs of a capital improvement. The City will make available to Lowe's a set amount of \$30,000 of tax increment revenues per year for five years (2007-2011) for a total of \$150,000. Details of the other TIF districts are as follows.

	<u>Original value</u>	<u>Increase in value</u>	<u>TIF cap</u>	<u>Captured value</u>	<u>Captured tax</u>
MMG Insurance TIF	\$ 1,717,300	2,384,300	75%	1,788,225	43,849
BLD Properties TIF	128,100	3,676,800	75%	2,757,600	67,619

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

COMMITMENTS

The City has entered into contracts for projects at the airport and landfill. The following is a summary of the commitments at December 31, 2009:

	<u>Contract Total</u>	<u>Percentage Complete</u>	<u>Billed to Date</u>	<u>Retainage</u>	<u>Balance Remaining</u>
Construction contract - landfill	\$ 2,392,200	12.92%	293,579	15,451	2,083,170
Construction contract - airport	1,378,561	93.98%	1,166,028	129,559	82,974
Construction contract - airport	2,246,660	99.10%	2,003,868	222,652	20,140

OTHER POST EMPLOYMENT BENEFITS

The Governmental Accounting Standards Board (GASB) recently promulgated its Statement 45 which addressed the reporting and disclosure requirements for other post employment benefits (OPEB). GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, was implemented, as required, by the City of Presque Isle for the year ended December 31, 2008. Under this pronouncement, it requires that the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

The City is a member of the Maine Municipal Employees Health Trust. The Health Trust contracted with an outside consultant to assist in the determination and valuation of the City's OPEB liability under GASB Statement 45. An OPEB liability actuarial valuation was completed by the consultants in May 2009.

Plan Descriptions – In addition to providing pension benefits, the City provides health care benefits for certain retired employees. Eligibility to receive health care benefits follows the same requirements as MainePERS. Eligible retirees are required to pay 100% of the health insurance premiums to receive health benefit coverage.

Funding Policy and Annual OPEB Cost – GASB Statement 45 does not mandate the prefunding of postemployment benefits liability. The City currently plans to fund these benefits on a pay-as-you-go basis. There is not an annual OPEB cost to the City. No assets have been segregated and restricted to provide postemployment benefits. The annual required contribution (ARC), an actuarial determined rate, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed thirty years.

The following table represents the calculation of the annual required contribution:

Normal Cost	\$ 66,665
Amortization of Unfunded	93,114
<u>Interest</u>	<u>6,391</u>
Annual Required Contribution	\$ 166,170

Net OPEB Obligation – The City's net OPEB obligation was calculated as follows:

OPEB liability, January 1, 2009	\$ 166,170
<u>Annual required contribution</u>	<u>166,170</u>
OPEB liability, December 31, 2009	\$ 332,340

CITY OF PRESQUE ISLE, MAINE
Notes to Basic Financial Statements, Continued

OTHER POST EMPLOYMENT BENEFITS, CONTINUED

Funding Status and Funding Progress – The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ending December 31, 2009 was as follows:

Annual required contribution	\$ 166,170
Actual contribution	0
Percent contributed	0.00%
Actuarial accrued liability	\$ 1,674,527
Plan assets	0
Unfunded actuarial accrued liability	\$ 1,674,527
Covered payroll	4,430,530
Unfunded actuarial accrued liability as a percentage of covered payroll	37.80%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information (only one year available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions – Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets. Significant methods and assumptions were as follows:

Actuarial valuation date	1/1/09
Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	30 years

Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	N/A
Healthcare inflation rate	4.0% - 9.6%

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress

Retiree Healthcare Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a) /c]
12/31/08	\$ -	\$1,674,527	\$1,674,527	0.00%	\$4,097,354	40.87%
12/31/09	-	1,674,527	1,674,527	0.00%	4,430,530	37.80%

GENERAL FUND

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The fund pays general operating expenditures, fixed charges and capital improvement costs which are not paid through other funds.

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CITY OF PRESQUE ISLE, MAINE
General Fund
Comparative Balance Sheets
December 31, 2009 and 2008

	2009	2008
ASSETS		
Cash and cash equivalents	\$ 8,447,029	9,683,267
Investments	-	494,309
Due from other governments	896,070	100,072
Accounts receivable	182,455	227,459
Taxes receivable	829,060	816,049
Tax liens and tax acquired property	203,112	228,312
Total assets	\$ 10,557,726	11,549,468
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	600,955	459,482
Accrued liabilities	85,702	61,212
Interfund loans payable	6,168,988	7,089,020
Deferred tax revenue	862,000	831,000
Total liabilities	7,717,645	8,440,714
Fund balances:		
Unreserved:		
Designated	44,065	43,620
Undesignated	2,796,016	3,065,134
Total fund balances	2,840,081	3,108,754
Total liabilities and fund balances	\$ 10,557,726	11,549,468

CITY OF PRESQUE ISLE, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
For the year ended December 31, 2009
(with comparative actual amounts for the year ended December 31, 2008)

	2009		Variance	2008
	Budget	Actual	positive (negative)	Actual
Revenues:				
Taxes:				
Property	\$ 11,612,316	11,580,811	(31,505)	10,447,212
Less: TIF financing plan	(141,468)	(141,468)	-	(71,400)
Excise	1,408,100	1,433,630	25,530	1,452,219
Interest and penalties	68,500	117,080	48,580	63,909
Payments in lieu of taxes	18,925	15,831	(3,094)	15,205
Total taxes	12,966,373	13,005,884	39,511	11,907,145
Intergovernmental:				
State Revenue Sharing	1,350,000	1,345,315	(4,685)	1,988,085
Homestead reimbursement	318,340	318,327	(13)	298,542
BETE reimbursement	112,370	112,366	(4)	46,592
Police department	-	55,402	55,402	28,722
Other	28,400	32,118	3,718	27,426
Total intergovernmental	1,809,110	1,863,528	54,418	2,389,367
Licenses, permits, and fees:				
Permits and fees	112,925	117,808	4,883	174,970
Cable franchise fee	60,000	60,017	17	56,916
Total licenses, permits, and fees	172,925	177,825	4,900	231,886
Charges for services:				
Airport	1,034,400	1,091,059	56,659	1,389,225
Industrial rentals	550,000	552,275	2,275	537,296
Forum	270,250	268,080	(2,170)	279,527
Indoor pool	93,000	97,742	4,742	82,879
Recreation	27,000	34,832	7,832	24,578
Other	8,750	8,755	5	8,500
Total charges for services	1,983,400	2,052,743	69,343	2,322,005
Unclassified:				
Tax acquired revenues	500	2,995	2,495	737
Planning and development	1,000	389	(611)	1,420
Finance	1,000	1,265	265	1,036
Fire department	7,500	9,564	2,064	9,340
General government	41,275	39,130	(2,145)	38,663
Library	17,500	18,253	753	9,467
Police department	102,950	142,678	39,728	89,100
Public works	12,400	15,623	3,223	13,017
Resource management	22,500	21,682	(818)	22,089
Employee benefits/insurances	47,875	54,714	6,839	59,845
Other	62,425	75,199	12,774	61,264
Total unclassified	316,925	381,492	64,567	305,978
Interest earned	75,000	49,498	(25,502)	86,045
Total revenues	17,323,733	17,530,970	207,237	17,242,426

CITY OF PRESQUE ISLE, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
For the year ended December 31, 2009
(with comparative actual amounts for the year ended December 31, 2008)

	Budget	Actual	Variance positive (negative)	2008 Actual
Expenditures:				
Current:				
General government:				
Administration	\$ 230,600	219,801	10,799	233,418
Finance	331,850	318,813	13,037	308,912
Employee benefits	1,357,075	1,325,706	31,369	1,357,151
Insurances	127,100	131,403	(4,303)	174,908
Resource management	162,425	159,650	2,775	155,486
Industrial Council	335,000	335,000	-	323,000
Planning and development	366,525	353,203	13,322	361,611
Legal services	26,000	34,211	(8,211)	26,470
Total general government	2,936,575	2,877,787	58,788	2,940,956
Public safety:				
Police department	1,197,175	1,233,853	(36,678)	1,216,448
Fire department	811,600	812,459	(859)	781,867
Ambulance	-	-	-	101,388
Public safety building	147,350	128,984	18,366	150,346
Total public safety	2,156,125	2,175,296	(19,171)	2,250,049
Public works:				
Public works	1,585,100	1,529,521	55,579	1,536,732
Street lights	178,275	167,218	11,057	168,685
Hydrant rental	380,600	380,588	12	380,588
Total public works	2,143,975	2,077,327	66,648	2,086,005
Airport	1,208,650	1,213,691	(5,041)	1,569,056
Solid waste:				
Solid waste (transfer to secured landfill fund)	518,075	518,075	-	554,600
Echo Lake	3,825	3,825	-	2,695
Total solid waste	521,900	521,900	-	557,295
Recreation:				
Parks and recreation	572,275	549,921	22,354	600,764
Library	316,125	307,467	8,658	313,761
Forum	420,000	398,817	21,183	445,729
Total recreation	1,308,400	1,256,205	52,195	1,360,254

CITY OF PRESQUE ISLE, MAINE
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
For the year ended December 31, 2009
(with comparative actual amounts for the year ended December 31, 2008)

	Budget	Actual	Variance positive (negative)	2008 Actual
Expenditures, continued:				
Current, continued:				
Education	\$ 5,218,390	5,218,390	-	4,981,055
Outside requests:				
Chamber of Commerce	13,150	13,150	-	13,150
Independent Support Services	4,050	4,050	-	4,500
Aroostook Area Agency on Aging	4,050	4,050	-	4,500
Central Aroostook Soil and Water	1,050	1,050	-	1,175
RC&D	250	297	(47)	250
Quoggy Joe Ski Club	6,875	7,650	(775)	7,650
PI Snowmobile Club	4,300	4,300	-	4,500
Nordic Heritage Ski Club	13,500	13,500	-	15,000
Veterans Cemetery	200	200	-	100
American Red Cross	2,325	2,575	(250)	2,575
Miscellaneous requests	9,000	9,093	(93)	5,220
Total outside requests	58,750	59,915	(1,165)	58,620
Intergovernmental - County tax	560,973	560,973	-	554,661
Unclassified:				
Elections	7,475	12,210	(4,735)	25,366
Maine Municipal dues	10,200	10,343	(143)	10,190
Cemeteries	2,800	3,127	(327)	3,409
Annual reports	2,700	2,500	200	2,500
Contingency	20,000	19,326	674	25,802
Northern Maine Development Commission	17,850	18,028	(178)	17,682
Central Aroostook Humane Society	13,325	13,315	10	13,315
Sister Mary O'Donnell Shelter	9,525	9,525	-	9,511
Downtown Revitalization Commission	13,100	12,805	295	14,267
Management audit	-	-	-	25,342
Tax acquired property costs	-	9,072	(9,072)	9,007
Other	18,175	17,620	555	15,216
Overlay	51,720	-	51,720	-
Total unclassified	166,870	127,871	38,999	171,607
Debt service:				
Principal	991,495	991,495	-	240,440
Interest	187,945	186,270	1,675	186,175
Total debt service	1,179,440	1,177,765	1,675	426,615
Total expenditures	17,460,048	17,267,120	192,928	16,956,173
Excess (deficiency) of revenues over (under) expenditures	(136,315)	263,850	400,165	286,253
Other financing sources (uses):				
Budgeted use of surplus/designated	668,838	-	(668,838)	-
Transfers in	40,300	40,300	-	148,600
Transfers out	(572,823)	(572,823)	-	(790,978)
Total other financing sources (uses)	136,315	(532,523)	(668,838)	(642,378)
Net change in fund balance	-	(268,673)	(268,673)	(356,125)
Fund balance, beginning of year		3,108,754		3,464,879
Fund balance, end of year	\$	2,840,081		3,108,754

ALL OTHER GOVERNMENTAL FUNDS

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CITY OF PRESQUE ISLE, MAINE
All Other Governmental Funds
Combining Balance Sheet
December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	-	50,365	50,365
Investments	-	-	556,654	556,654
Interfund loan receivable	2,815,487	4,151,075	-	6,966,562
Total assets	\$ 2,815,487	4,151,075	607,019	7,573,581
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund loans payable	-	32,978	-	32,978
Interfund advances	-	221,450	-	221,450
Total liabilities	-	254,428	-	254,428
Fund balances:				
Reserved for:				
Nonexpendable principal	-	-	20,000	20,000
Undesignated, reported in:				
Special revenues	2,815,487	-	-	2,815,487
Capital projects	-	3,896,647	-	3,896,647
Permanent funds	-	-	587,019	587,019
Total fund balances	2,815,487	3,896,647	607,019	7,319,153
Total liabilities and fund balances	\$ 2,815,487	4,151,075	607,019	7,573,581

CITY OF PRESQUE ISLE, MAINE
All Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2009

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Funds	Total Other Governmental Funds
Revenues:				
Intergovernmental	\$ 172,351	325,592	-	497,943
Licenses, permits, and fees	-	116,069	-	116,069
Charges for services	12,932	616,952	-	629,884
Investment income	57,836	44,054	81,997	183,887
Other	50,218	68,122	855	119,195
Total revenues	293,337	1,170,789	82,852	1,546,978
Expenditures:				
General government	43,873	283,662	11,667	339,202
Public safety	149,916	33,149	-	183,065
Public works	-	17,745	-	17,745
Airport	11,300	3,038	-	14,338
Solid waste	-	853,006	-	853,006
Recreation and culture	82,590	215,768	-	298,358
Debt service	301,516	91,013	-	392,529
Capital outlay	56,430	263,262	-	319,692
Other	-	-	4,527	4,527
Total expenditures	645,625	1,760,643	16,194	2,422,462
Excess (deficiency) of revenues over (under) expenditures	(352,288)	(589,854)	66,658	(875,484)
Other financing sources (uses):				
Transfers in	850,567	1,606,658	-	2,457,225
Transfers out	(292,321)	(609,757)	-	(902,078)
Total other financing sources (uses)	558,246	996,901	-	1,555,147
Net change in fund balances	205,958	407,047	66,658	679,663
Fund balances, beginning of year	2,609,529	3,489,600	540,361	6,639,490
Fund balances, end of year	\$ 2,815,487	3,896,647	607,019	7,319,153

NONMAJOR SPECIAL REVENUE FUNDS

Nonmajor special revenue funds account for specific resources, the expenditure of which is restricted by law or administrative action for particular purposes.

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CITY OF PRESQUE ISLE, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet
December 31, 2009

	Special Revenues	Emergency Reserves	Restricted Reserves	Total
ASSETS				
Interfund loans receivable	\$ 77,959	1,447,683	1,289,845	2,815,487
Total assets	\$ 77,959	1,447,683	1,289,845	2,815,487
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund loans payable	-	-	-	-
Total liabilities	-	-	-	-
Fund balances:				
Unreserved:				
Undesignated	77,959	1,447,683	1,289,845	2,815,487
Total fund balances	77,959	1,447,683	1,289,845	2,815,487
Total liabilities and fund balances	\$ 77,959	1,447,683	1,289,845	2,815,487

CITY OF PRESQUE ISLE, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2009

	Special Revenues	Emergency Reserves	Restricted Reserves	Total
Revenues:				
Intergovernmental	\$ 31,547	-	140,804	172,351
Charges for services	12,932	-	-	12,932
Interest earned	-	48,675	9,161	57,836
Other	8,987	-	41,231	50,218
Total revenues	53,466	48,675	191,196	293,337
Expenditures:				
Current:				
General government	4,500	-	39,373	43,873
Public safety	999	-	148,917	149,916
Airport	-	-	11,300	11,300
Recreation and culture	50,606	-	31,984	82,590
Debt service	-	-	301,516	301,516
Capital outlay	-	-	56,430	56,430
Other	-	-	-	-
Total expenditures	56,105	-	589,520	645,625
Excess (deficiency) of revenues over (under) expenditures	(2,639)	48,675	(398,324)	(352,288)
Other financing sources (uses):				
Transfers in	31,225	90,875	728,467	850,567
Transfers out	(21,988)	-	(270,333)	(292,321)
Total other financing sources and (uses)	9,237	90,875	458,134	558,246
Net change in fund balances	6,598	139,550	59,810	205,958
Fund balances, beginning of year	71,361	1,308,133	1,230,035	2,609,529
Fund balances, end of year	\$ 77,959	1,447,683	1,289,845	2,815,487

CITY OF PRESQUE ISLE, MAINE
Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2009

	Recreation Programs	Cost Recovery	Softball	Downing Park	Police Bloodhound	Outside Grants	Wellness Grant
Revenues:							
Intergovernmental	\$ -	-	-	-	-	27,178	4,369
Charges for services	6,491	1,941	4,500	-	-	-	-
Other	-	-	-	-	-	-	-
Total revenues	6,491	1,941	4,500	-	-	27,178	4,369
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	999	-
Recreation and culture	940	1,785	5,164	119	-	26,000	6,059
Total expenditures	940	1,785	5,164	119	-	26,999	6,059
Excess (deficiency) of revenues over (under) expenditures	5,551	156	(664)	(119)	-	179	(1,690)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	3,225
Total other financing sources and (uses)	-	-	-	-	-	-	3,225
Net change in fund balances	5,551	156	(664)	(119)	-	179	1,535
Fund balances (deficits), beginning of year	14,838	869	4,281	1,716	40	(178)	3,827
Fund balances, end of year	\$ 20,389	1,025	3,617	1,597	40	1	5,362

CITY OF PRESQUE ISLE, MAINE
Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2009

	Retirement Payouts	Library Books	Revitalization Committee	Rec Facility	Donation Fuel Oil	Appraisals	Total
Revenues:							
Intergovernmental	\$ -	-	-	-	-	-	31,547
Charges for services	-	-	-	-	-	-	12,932
Other	-	8,974	-	-	13	-	8,987
Total revenues	-	8,974	-	-	13	-	53,466
Expenditures:							
Current:							
General government	-	-	-	-	-	4,500	4,500
Public safety	-	-	-	-	-	-	999
Recreation and culture	-	10,367	-	-	172	-	50,606
Total expenditures	-	10,367	-	-	172	4,500	56,105
Excess (deficiency) of revenues over (under) expenditures	-	(1,393)	-	-	(159)	(4,500)	(2,639)
Other financing sources (uses):							
Transfers in	28,000	-	-	-	-	-	31,225
Transfers out	(21,988)	-	-	-	-	-	(21,988)
Total other financing sources and (uses)	6,012	-	-	-	-	-	9,237
Net change in fund balances	6,012	(1,393)	-	-	(159)	(4,500)	6,598
Fund balances (deficits), beginning of year	15,642	4,319	881	2,263	1,013	21,850	71,361
Fund balances, end of year	\$ 21,654	2,926	881	2,263	854	17,350	77,959

CITY OF PRESQUE ISLE, MAINE
Restricted Reserve Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2009

	UDAG Revolving Loan Fund Buildings	CDBG Loan Funds	REDRLP Loan Funds	Compre- hensive Plan	Industrial Council Land Sales	Intermodal Rail Yard
Revenues:						
Intergovernmental	\$ -	-	-	-	-	-
Interest earned	8,824	154	45	-	138	-
Other	-	-	-	-	-	5,115
Total revenues	8,824	154	45	-	138	5,115
Expenditures:						
Current:						
General government	-	-	815	-	-	-
Public safety	-	-	-	-	-	-
Airport	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Debt service	217,686	-	-	-	-	-
Capital outlay	46,405	-	-	-	-	10,025
Total expenditures	264,091	-	815	-	-	10,025
Excess (deficiency) of revenues over (under) expenditures	(255,267)	154	(770)	-	138	(4,910)
Other financing sources (uses):						
Transfers in	248,333	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources and (uses)	248,333	-	-	-	-	-
Net change in fund balances	(6,934)	154	(770)	-	138	(4,910)
Fund balances (deficits), beginning of year	466,939	7,546	109,653	177	85,530	59,161
Fund balances (deficits), end of year	\$ 460,005	7,700	108,883	177	85,668	54,251

CITY OF PRESQUE ISLE, MAINE
Restricted Reserve Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2009

	Police Grants	Library Grants	Fire Department Grants	Industrial Council Office Park	Airport PFC	Homeland Security
Revenues:						
Intergovernmental	\$ 126,842	1,950	12,012	-	-	-
Interest earned	-	-	-	-	-	-
Other	-	3,400	5,466	3,659	21,381	-
Total revenues	126,842	5,350	17,478	3,659	21,381	-
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	121,071	-	15,711	-	-	-
Airport	-	-	-	-	11,300	-
Recreation and culture	-	1,065	-	-	-	-
Debt service	-	-	-	83,830	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	121,071	1,065	15,711	83,830	11,300	-
Excess (deficiency) of revenues over (under) expenditures	5,771	4,285	1,767	(80,171)	10,081	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(240,199)	-	-
Total other financing sources and (uses)	-	-	-	(240,199)	-	-
Net change in fund balances	5,771	4,285	1,767	(320,370)	10,081	-
Fund balances (deficits), beginning of year	(4,428)	501	-	320,370	154,612	(160)
Fund balances (deficits), end of year	\$ 1,343	4,786	1,767	-	164,693	(160)

CITY OF PRESQUE ISLE, MAINE
Restricted Reserve Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2009

	Planning & Development Grants	Grants Matching Funds	CDBG Revitalization Grant	After School Grant	Total
Revenues:					
Intergovernmental	\$ -	-	-	-	140,804
Interest earned	-	-	-	-	9,161
Other	-	-	-	2,210	41,231
Total revenues	-	-	-	2,210	191,196
Expenditures:					
Current:					
General government	9,233	-	29,325	-	39,373
Public safety	-	-	-	12,135	148,917
Airport	-	-	-	-	11,300
Recreation and culture	-	30,919	-	-	31,984
Debt service	-	-	-	-	301,516
Capital outlay	-	-	-	-	56,430
Total expenditures	9,233	30,919	29,325	12,135	589,520
Excess (deficiency) of revenues over (under) expenditures	(9,233)	(30,919)	(29,325)	(9,925)	(398,324)
Other financing sources (uses):					
Transfers in	-	480,134	-	-	728,467
Transfers out	(30,134)	-	-	-	(270,333)
Total other financing sources and (uses)	(30,134)	480,134	-	-	458,134
Net change in fund balances	(39,367)	449,215	(29,325)	(9,925)	59,810
Fund balances (deficits), beginning of year	30,134	-	-	-	1,230,035
Fund balances (deficits), end of year	\$ (9,233)	449,215	(29,325)	(9,925)	1,289,845

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NONMAJOR CAPITAL PROJECT FUNDS

Nonmajor capital project funds account for capital projects undertaken by the City.

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CITY OF PRESQUE ISLE, MAINE
Nonmajor Capital Project Funds
Combining Balance Sheet
December 31, 2009

	Secured Landfill	Reserves	Solid Waste Reserves	Restricted Reserves	Street Overlay	Total
ASSETS						
Interfund loans receivable	\$ -	786,542	3,201,269	9,059	154,205	4,151,075
Total assets	\$ -	786,542	3,201,269	9,059	154,205	4,151,075
LIABILITIES AND FUND BALANCES						
Liabilities:						
Interfund loans payable	32,978	-	-	-	-	32,978
Interfund advance	-	221,450	-	-	-	221,450
Total liabilities	32,978	221,450	-	-	-	254,428
Fund balances (deficits):						
Unreserved:						
Undesignated	(32,978)	565,092	3,201,269	9,059	154,205	3,896,647
Total fund balances (deficits)	(32,978)	565,092	3,201,269	9,059	154,205	3,896,647
Total liabilities and fund balances	\$ -	786,542	3,201,269	9,059	154,205	4,151,075

CITY OF PRESQUE ISLE, MAINE
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2009

	Secured Landfill	Reserves	Solid Waste Reserves	Restricted Reserves	Street Overlay	Total
Revenues:						
Intergovernmental	\$ 128,653	-	-	8,631	188,308	325,592
Licenses, permits, and fees	116,069	-	-	-	-	116,069
Charges for services	616,952	-	-	-	-	616,952
Interest earned	-	-	44,054	-	-	44,054
Other	-	58,504	7,584	1,219	815	68,122
Total revenues	861,674	58,504	51,638	9,850	189,123	1,170,789
Expenditures:						
Current:						
General government	-	283,662	-	-	-	283,662
Public safety	-	33,149	-	-	-	33,149
Public works	-	17,745	-	-	-	17,745
Airport	-	3,038	-	-	-	3,038
Solid waste	806,485	-	46,521	-	-	853,006
Recreation and culture	-	209,739	-	6,029	-	215,768
Debt service	44,758	46,255	-	-	-	91,013
Capital outlay	-	4,200	-	14,231	244,831	263,262
Total expenditures	851,243	597,788	46,521	20,260	244,831	1,760,643
Excess (deficiency) of revenues over (under) expenditures	10,431	(539,284)	5,117	(10,410)	(55,708)	(589,854)
Other financing sources (uses):						
Transfers in	523,176	445,814	547,982	-	89,686	1,606,658
Transfers out	(584,757)	(25,000)	-	-	-	(609,757)
Total other financing sources and (uses)	(61,581)	420,814	547,982	-	89,686	996,901
Net change in fund balances	(51,150)	(118,470)	553,099	(10,410)	33,978	407,047
Fund balances, beginning of year	18,172	683,562	2,648,170	19,469	120,227	3,489,600
Fund balances (deficits), end of year	\$ (32,978)	565,092	3,201,269	9,059	154,205	3,896,647

CITY OF PRESQUE ISLE, MAINE
Reserve Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2009

	Police Department	Fire Department	Recreation and Parks	Library	City Hall	Public Works	Airport
Revenues:							
Other	\$ 200	530	-	-	1,797	-	15,185
Total revenues	200	530	-	-	1,797	-	15,185
Expenditures:							
General government	-	-	-	-	58,745	-	-
Public safety	33,149	-	-	-	-	-	-
Public works	-	-	-	-	-	17,745	-
Airport	-	-	-	-	-	-	3,038
Recreation and culture	-	-	185,737	2,976	-	-	-
Debt service	-	-	-	-	-	46,255	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	33,149	-	185,737	2,976	58,745	64,000	3,038
Excess (deficiency) of revenues over (under) expenditures	(32,949)	530	(185,737)	(2,976)	(56,948)	(64,000)	12,147
Other financing uses:							
Transfers in	29,000	15,000	35,000	5,000	32,650	123,775	-
Transfers out	-	-	-	-	-	-	-
Total other financing uses	29,000	15,000	35,000	5,000	32,650	123,775	-
Net change in fund balances	(3,949)	15,530	(150,737)	2,024	(24,298)	59,775	12,147
Fund balances (deficits), beginning of year	3,326	43,329	182,507	4,012	34,619	87,780	113,277
Fund balances (deficits), end of year	\$ (623)	58,859	31,770	6,036	10,321	147,555	125,424

CITY OF PRESQUE ISLE, MAINE
Reserve Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2009

	Industrial Council	Forum	Echo Lake	FAA	Downtown Infrastructure	Cunningham School	Total
Revenues:							
Other	\$ 36,156	1,946	2,690	-	-	-	58,504
Total revenues	36,156	1,946	2,690	-	-	-	58,504
Expenditures:							
General government	224,917	-	-	-	-	-	283,662
Public safety	-	-	-	-	-	-	33,149
Public works	-	-	-	-	-	-	17,745
Airport	-	-	-	-	-	-	3,038
Recreation and culture	-	21,026	-	-	-	-	209,739
Debt service	-	-	-	-	-	-	46,255
Capital outlay	-	-	4,200	-	-	-	4,200
Total expenditures	224,917	21,026	4,200	-	-	-	597,788
Excess (deficiency) of revenues over (under) expenditures	(188,761)	(19,080)	(1,510)	-	-	-	(539,284)
Other financing uses:							
Transfers in	136,389	25,000	11,000	25,000	8,000	-	445,814
Transfers out	-	-	-	(25,000)	-	-	(25,000)
Total other financing uses	136,389	25,000	11,000	-	8,000	-	420,814
Net change in fund balances	(52,372)	5,920	9,490	-	8,000	-	(118,470)
Fund balances (deficits), beginning of year	414,844	5,122	(844)	-	17,040	(221,450)	683,562
Fund balances (deficits), end of year	\$ 362,472	11,042	8,646	-	25,040	(221,450)	565,092

CITY OF PRESQUE ISLE, MAINE
Solid Waste Reserve Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2009

	Secured Landfill Reserves	Landfill Closure	Total
Revenues:			
Interest earned	\$ 13,296	30,758	44,054
Other	7,584	-	7,584
Total revenues	20,880	30,758	51,638
Expenditures:			
Current:			
Solid waste	46,521	-	46,521
Capital outlay	-	-	-
Total expenditures	46,521	-	46,521
Excess (deficiency) of revenues over (under) expenditures	(25,641)	30,758	5,117
Other financing sources (uses):			
Transfers in	198,572	349,410	547,982
Total other financing sources and (uses)	198,572	349,410	547,982
Net change in fund balances	172,931	380,168	553,099
Fund balances, beginning of year	1,075,417	1,572,753	2,648,170
Fund balances, end of year	\$ 1,248,348	1,952,921	3,201,269

CITY OF PRESQUE ISLE, MAINE
Restricted Reserve Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2009

	Septic Systems	Community Center	Total
Revenues:			
Intergovernmental	\$ 8,631	-	8,631
Other	1,219	-	1,219
Total revenues	9,850	-	9,850
Expenditures:			
Current:			
Recreation and culture	-	6,029	6,029
Capital outlay	9,470	4,761	14,231
Total expenditures	9,470	10,790	20,260
Excess (deficiency) of revenues over (under) expenditures	380	(10,790)	(10,410)
Other financing sources:			
Transfer in	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	380	(10,790)	(10,410)
Fund balances (deficits), beginning of year	(2,860)	22,329	19,469
Fund balances (deficits), end of year	\$ (2,480)	11,539	9,059

NONMAJOR PERMANENT FUNDS

Nonmajor permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

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CITY OF PRESQUE ISLE, MAINE
Nonmajor Permanent Funds
Combining Balance Sheet
December 31, 2009

		Cemetery Perpetual Care	School Lunch	Volunteer Fire Dept. Fund	Bike and Walk Path Fund	Burlock/ Lavway Scholarship Fund	Total
ASSETS							
Cash and cash equivalents	\$	42,809	-	-	-	7,556	50,365
Investments		510,188	3,973	22,415	20,078	-	556,654
Total assets	\$	552,997	3,973	22,415	20,078	7,556	607,019
FUND BALANCES							
Reserved for:							
Nonexpendable principal		-	-	-	20,000	-	20,000
Unreserved, undesignated		552,997	3,973	22,415	78	7,556	587,019
Total fund balances	\$	552,997	3,973	22,415	20,078	7,556	607,019

CITY OF PRESQUE ISLE, MAINE
Nonmajor Permanent Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended December 31, 2009

	Cemetery Perpetual Care	School Lunch	Volunteer Fire Dept. Fund	Bike and Walk Path Fund	Burlock/ Lavway Scholarship Fund	Total
Revenues:						
Investment income:						
Interest income	\$ 15,127	107	584	543	4	16,365
Unrealized gain (loss)	60,645	434	2,357	2,196	-	65,632
Donations	-	-	855	-	-	855
Total revenues	75,772	541	3,796	2,739	4	82,852
Expenditures:						
Expenditures under trust agreements	11,667	-	-	-	500	12,167
Fees	3,724	26	143	134	-	4,027
Total expenditures	15,391	26	143	134	500	16,194
Net change in fund balances	60,381	515	3,653	2,605	(496)	66,658
Fund balances, beginning of year	492,616	3,458	18,762	17,473	8,052	540,361
Fund balances, end of year	\$ 552,997	3,973	22,415	20,078	7,556	607,019

STATISTICAL SECTION

This part of City of Presque Isle's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Tables

Financial Trends

1-5

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

6-9

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

10-12

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

13-14

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

15-16

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Table 1

CITY OF PRESQUE ISLE, MAINE
Net Assets by Component
Last Five Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2005	2006	2007	2008	2009
Governmental activities					
Invested in capital assets, net of related debt	\$ 35,369,720	\$ 36,363,913	\$ 41,075,258	\$ 47,124,474	\$ 52,403,992
Restricted	7,460,089	7,460,089	657,080	540,361	607,019
Unrestricted	<u>2,484,217</u>	<u>3,173,693</u>	<u>8,459,355</u>	<u>7,874,580</u>	<u>6,707,081</u>
Total governmental activities net assets	<u>\$ 45,314,026</u>	<u>\$ 46,997,695</u>	<u>\$ 50,191,693</u>	<u>\$ 55,539,415</u>	<u>\$ 59,718,092</u>

Only five years have been presented because 2005 was the year GASB Statement Number 34 was implemented.

CITY OF PRESQUE ISLE, MAINE
Changes in Net Assets
Last Five Fiscal Years
(accrual basis of accounting)

Expenses	Fiscal Year				
	2005	2006	2007	2008	2009
Governmental activities:					
General government	\$ 2,566,370	\$ 2,744,641	\$ 4,392,539	\$ 4,336,222	\$ 4,259,006
Public safety	1,991,836	1,210,298	2,651,781	2,622,451	2,526,579
Public works	1,677,792	1,622,073	2,653,500	2,773,241	2,511,224
Airport	1,257,014	1,305,590	2,184,548	2,322,768	2,437,749
Solid waste	1,022,685	1,490,855	1,200,123	1,175,127	1,069,839
Recreation and culture	1,250,133	1,216,046	1,511,065	1,533,570	1,501,938
Education	4,756,148	4,958,701	5,017,959	4,981,055	5,218,390
Outside requests	72,465	53,565	58,400	58,620	59,915
Intergovernmental (a)	485,748	507,060	-	-	-
Unclassified (a)	940,095	3,228,449	-	-	-
Interest on debt service	76,580	209,029	164,097	163,307	196,329
Total governmental activities expenses	16,096,866	18,546,307	19,834,012	19,966,361	19,780,969
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 69,250	\$ 82,320	\$ 754,874	\$ 775,474	\$ 732,549
Public safety	13,956	10,335	94,884	98,440	152,242
Public works	-	-	15,169	13,017	15,623
Airport	873,510	1,111,340	1,234,121	1,430,242	1,117,367
Solid Waste	259,275	195,067	1,016,077	761,725	733,021
Recreation and culture	-	-	427,289	415,189	440,594
Operating grants and contributions	-	651,675	745,551	233,590	327,278
Capital grants and contributions	-	1,516,858	4,792,969	7,268,068	4,920,508
Total governmental activities program revenues	1,215,991	3,567,595	9,080,934	10,995,745	8,439,182
Net (expense)/revenue					
Governmental activities	(14,880,875)	(14,978,712)	(10,753,078)	(8,970,616)	(11,341,787)
Total primary government net (expense)/revenue	\$ (14,880,875)	\$ (14,978,712)	\$ (10,753,078)	\$ (8,970,616)	\$ (11,341,787)
General Revenues and other Changes					
In Net Assets					
Governmental activities:					
Taxes:					
Property taxes, levied for general purposes	\$ 10,365,232	\$ 10,518,060	\$ 10,558,300	\$ 10,693,926	\$ 11,603,254
Motor vehicle excise tax	1,431,365	1,461,342	1,472,532	1,452,219	1,433,630
Cable television franchise	-	-	51,284	56,916	60,017
Unrestricted grants and contributions	5,599,125	1,629,578	2,202,873	2,360,645	1,845,885
Miscellaneous	2,048,659	2,765,021	328,493	491,266	218,003
Interest and investment earnings	-	-	427,397	271,354	359,675
Total governmental activities	\$ 19,444,381	\$ 16,374,001	\$ 15,040,879	\$ 15,326,326	\$ 15,520,464
Change in Net Assets					
Governmental activities	\$ 4,563,506	\$ 1,395,289	\$ 4,287,801	\$ 6,355,710	\$ 4,178,677
Total primary government	\$ 4,563,506	\$ 1,395,289	\$ 4,287,801	\$ 6,355,710	\$ 4,178,677

Only five years have been presented because 2005 was the year GASB Statement Number 34 was implemented.

(a) Beginning in the fiscal year ending December 31, 2007, the City changed the way it accounts for intergovernmental and unclassified expenses.

Table 3

CITY OF PRESQUE ISLE, MAINE
Program Revenues by Function/Program
Last Five Fiscal Years
(accrual basis of accounting)

Function/Program	Fiscal Year				
	2005	2006	2007	2008	2009
Governmental activities:					
General government	\$ 69,250	\$ 82,320	\$ 1,009,704	\$ 794,704	\$ 732,549
Public safety	13,956	10,335	401,175	160,295	346,498
Public works	-	-	383,722	1,773,055	203,931
Airport	873,510	1,111,340	5,658,537	6,938,272	5,849,567
Solid waste	259,275	846,742	1,147,579	893,196	861,674
Recreation and culture	-	-	480,217	436,223	444,963
Unclassified (a)	-	1,516,858	-	-	-
Total governmental activities	<u>1,215,991</u>	<u>3,567,595</u>	<u>9,080,934</u>	<u>10,995,745</u>	<u>8,439,182</u>
Total primary government	<u>\$ 1,215,991</u>	<u>\$ 3,567,595</u>	<u>\$ 9,080,934</u>	<u>\$ 10,995,745</u>	<u>\$ 8,439,182</u>

Only five years have been presented because 2005 was the year GASB Statement Number 34 was implemented.

(a) Beginning in the fiscal year ending December 31, 2007, the City changed the way it accounts for unclassified revenues.

Table 4

CITY OF PRESQUE ISLE, MAINE
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General fund										
Reserved	\$ 18,475	\$ 13,583	\$ 19,023	\$ 19,022	\$ 19,949	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	3,067,091	3,151,115	2,240,152	2,690,529	2,688,889	3,265,826	2,890,755	3,464,879	3,108,754	2,840,081
Total general fund	<u>\$ 3,085,566</u>	<u>\$ 3,164,698</u>	<u>\$ 2,259,175</u>	<u>\$ 2,709,551</u>	<u>\$ 2,708,838</u>	<u>\$ 3,265,826</u>	<u>\$ 2,890,755</u>	<u>\$ 3,464,879</u>	<u>\$ 3,108,754</u>	<u>\$ 2,840,081</u>
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 960,231	\$ 939,958	\$ 1,159,491
Unreserved, reported in:										
Special revenue funds	3,082,584	3,319,286	3,369,070	3,617,301	3,315,752	3,923,191	4,601,761	3,949,102	4,102,489	3,727,446
Capital projects funds	(404,246)	330,358	2,028,698	1,977,247	3,753,096	2,936,418	2,471,001	1,770,159	736,590	(578,180)
Permanent Funds	675,924	634,454	575,231	604,715	606,726	600,480	632,750	657,080	520,361	587,019
Total all other governmental funds	<u>\$ 3,354,262</u>	<u>\$ 4,284,098</u>	<u>\$ 5,972,999</u>	<u>\$ 6,199,263</u>	<u>\$ 7,675,574</u>	<u>\$ 7,460,089</u>	<u>\$ 7,705,512</u>	<u>\$ 7,336,572</u>	<u>\$ 6,299,398</u>	<u>\$ 4,895,776</u>

Table 5

CITY OF PRESQUE ISLE, MAINE
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes	\$ 8,714,913	\$ 8,417,769	\$ 9,392,383	\$ 9,459,360	\$ 9,485,620	\$ 10,365,232	\$ 10,513,597	\$ 10,501,675	\$ 10,454,926	\$ 11,572,254
Excise taxes	1,136,209	1,207,300	1,270,705	1,335,952	1,424,302	1,431,365	1,461,342	1,472,532	1,452,219	1,433,630
Intergovernmental	2,805,323	3,162,431	2,797,152	4,689,150	5,315,027	5,599,125	3,798,111	7,741,393	8,332,303	7,093,671
Licenses and permits	-	-	-	-	-	-	-	269,051	342,446	299,894
Charges for services	866,619	805,487	733,604	783,395	929,121	1,215,991	1,399,062	2,841,771	2,983,408	2,682,627
Unclassified	2,094,912	2,368,879	1,942,209	2,088,384	1,944,095	2,048,659	2,765,021	811,369	716,415	492,895
Interest	-	-	-	-	-	-	-	427,397	271,354	359,675
Total revenues	15,617,976	15,961,866	16,136,053	18,356,241	19,098,165	20,660,372	19,937,133	24,065,188	24,553,071	23,928,646
Expenditures										
General government	1,875,405	2,094,896	2,184,533	2,273,452	2,340,870	2,434,977	2,613,998	3,219,552	3,368,689	3,231,315
Public safety	1,618,884	1,666,371	1,732,843	1,796,569	1,962,892	1,908,859	2,106,322	2,464,973	2,369,920	2,360,922
Public works	1,376,607	1,504,670	1,530,336	1,385,383	1,423,063	1,677,792	1,622,073	1,916,205	2,102,537	2,005,386
Airport	742,584	679,857	626,425	651,721	724,431	923,542	1,247,597	6,085,012	7,272,965	6,181,632
Solid waste	883,508	1,733,399	1,497,468	1,403,144	1,227,938	1,276,692	1,459,329	919,156	1,283,177	856,831
Recreation & culture	921,671	927,925	916,369	953,247	1,010,848	1,065,165	1,167,070	1,376,823	1,962,418	1,554,563
Education	3,842,972	3,864,438	4,052,587	4,284,354	4,533,234	4,756,148	4,958,701	5,017,959	4,981,055	5,218,390
Agency	55,187	54,581	59,042	62,904	81,576	72,465	53,565	58,400	58,620	59,915
County tax	337,803	368,435	437,893	452,708	458,477	485,748	507,060	514,577	554,661	560,973
Other	795,529	838,980	801,170	187,871	1,135,829	554,952	343,237	214,173	139,960	129,306
Capital outlay	3,748,256	3,629,355	1,243,912	3,794,881	2,305,324	5,964,394	2,900,816	3,217,837	2,309,536	1,871,414
Debt service:										
Principal	98,469	105,376	247,827	322,903	332,501	308,221	257,503	216,955	268,016	1,368,201 (a)
Interest expense	181,148	62,783	132,270	110,464	85,584	76,580	209,029	158,453	203,350	202,093
Total expenditures	16,478,023	17,531,066	15,462,675	17,679,601	17,622,567	21,505,535	19,446,300	25,380,075	26,874,904	25,600,941
Excess of revenues over (under) expenditures	(860,047)	(1,569,200)	673,378	676,640	1,475,598	(845,163)	490,833	(1,314,887)	(2,321,833)	(1,672,295)
Other financing sources (uses)										
Issuance of debt	-	2,600,000	110,000	-	-	566,185	-	1,145,000	928,534	-
Transfers in	1,732,392	1,818,417	3,343,619	1,256,278	1,361,506	1,896,819	1,891,927	1,668,655	2,227,856	2,576,187
Transfers out	(1,732,392)	(1,818,417)	(3,343,619)	(1,256,278)	(1,361,506)	(1,896,819)	(1,891,927)	(1,668,655)	(2,227,856)	(2,576,187)
Total other financing sources (uses)	-	2,600,000	110,000	-	-	566,185	-	1,145,000	928,534	-
Net change in fund balances	\$ (860,047)	\$ 1,030,800	\$ 783,378	\$ 676,640	\$ 1,475,598	\$ (278,978)	\$ 490,833	\$ (169,887)	\$ (1,393,299)	\$ (1,672,295)
Debt service as a percentage of noncapital expenditures	2.2%	1.2%	2.7%	3.1%	2.7%	2.5%	2.8%	2.1%	3.0%	8.59%

(a) The City paid off two outstanding notes payable during the year ended December 31, 2009.

Table 6

CITY OF PRESQUE ISLE, MAINE
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Tax Roll Year	Real Property	Taxable Personal Property	Total Taxable Assessed Value	Total Direct Tax Value	Estimated Actual Taxable Value (a)	Assessed Value as a Percentage of Actual Value
2000	\$ 300,422,200	\$ 35,996,800	\$ 336,419,000	24.72	\$ 339,500,000	99.09%
2001	310,516,000	37,858,800	348,374,800	24.74	345,300,000	100.89%
2002	309,619,100	41,069,500	350,688,600	25.22	360,250,000	97.35%
2003	307,522,300	43,449,900	350,972,200	26.30	362,500,000	96.82%
2004	312,697,400	43,449,900	356,147,300	26.70	370,750,000	96.06%
2005	320,346,700	44,663,200	365,009,900	26.70	398,050,000	91.70%
2006	329,345,150	45,763,200	375,108,350	26.20	422,550,000	88.77%
2007	356,249,410	46,059,200	402,308,610	26.15	436,300,000	92.21%
2008	411,743,200	50,234,100	461,977,300	23.15	490,850,000	94.12%
2009	422,075,300	51,001,500	473,076,800	24.52	515,600,000	91.75%

(a) Source: State of Maine, Bureau of Property Taxation, Property Division

Table 7

CITY OF PRESQUE ISLE, MAINE
Direct and Overlapping Property Tax Rates (Per \$1,000 of Assessed Value)
Direct and Overlapping Governments
Last Ten Fiscal Years

Tax Year	Direct Rates			Overlapping Rates		Total
	Basic Rate	Debt Service	Total Direct	Aroostook County	M.S.A.D. #1	Total Tax rate
2000	12.46	0.38	12.84	0.96	10.92	24.72
2001	12.20	0.70	12.90	1.02	10.68	24.60
2002	11.85	1.20	13.05	1.18	10.96	25.19
2003	12.00	1.33	13.33	1.24	11.73	26.30
2004	11.98	1.25	13.23	1.24	12.23	26.70
2005	11.73	1.11	12.84	1.29	12.57	26.70
2006	11.51	1.08	12.59	1.26	12.35	26.20
2007	11.30	1.09	12.39	1.31	12.45	26.15
2008	9.89	1.28	11.17	1.20	10.78	23.15
2009	11.08	1.22	12.30	1.19	11.03	24.52

Table 8

CITY OF PRESQUE ISLE, MAINE
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2009			2000		
	Assessed Valuation	Rank	Percentage of Total Assessed Value	Assessed Valuation	Rank	Percentage of Total Assessed Value
Aroostook Centre LLC	\$ 16,696,400	1	3.53%	\$ 23,116,100	1	6.87%
Maine Public Service Co	16,019,000	2	3.39%	9,696,700	2	2.88%
Wal-Mart	14,042,900	3	2.97%	5,462,200	3	1.62%
R & L Real Estate LLC	10,644,500	4	2.25%			
Lowe's Home Centers, Inc	8,466,300	5	1.79%			
Leisure Gardens, Inc	6,205,000	6	1.31%	3,040,300	9	0.90%
MMG Insurance Co	5,670,800	7	1.20%			
Columbia Forest Products, Inc	4,886,200	8	1.03%	4,012,300	4	1.19%
McCain Foods USA				3,697,100	5	1.10%
Juster, Doris & Ann				3,224,500	6	0.96%
Northeast Packaging				3,202,000	7	0.95%
Cavendish Farms				3,159,000	8	0.94%
Halvorson, Philip H	4,332,050	9	0.92%			
Maine Potato Growers Inc	4,246,600	10	0.90%			
KSB Enterprises				2,937,400	10	0.87%
	<u>91,209,750</u>		<u>19.28%</u>	<u>61,547,600</u>		<u>18.29%</u>
Total Assessed Valuation	\$ 473,076,800			\$ 336,419,000		

Table 9

CITY OF PRESQUE ISLE, MAINE
Total Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Tax Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 8,316,276	\$ 7,798,419	93.77%	\$ 517,857	\$ 8,316,276	100.00%
2001	8,389,345	7,570,545	90.24%	818,627	8,389,172	100.00%
2002	8,844,366	8,176,961	92.45%	664,171	8,841,132	99.96%
2003	9,219,178	8,512,541	92.34%	702,805	9,215,346	99.96%
2004	9,509,133	8,714,377	91.64%	794,030	9,508,407	99.99%
2005	9,750,764	8,929,182	91.57%	799,269	9,728,451	99.77%
2006	10,525,029	9,986,789	94.89%	528,925	10,515,714	99.91%
2007	10,520,370	9,854,447	93.67%	647,147	10,501,594	99.82%
2008	10,694,774	9,945,691	93.00%	556,518	10,502,209	98.20%
2009	11,600,316	10,801,848	93.12%	-	10,801,848	93.12%

Table 10

CITY OF PRESQUE ISLE, MAINE
Ratios of Net General Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Capital Lease	Notes Payable	Total	Personal Income (a)	Percentage of Personal Income	Population (b)	Per Capita	Percentage of Estimated Actual Taxable Value of Property (c)
2000	\$ 680,452	\$ -	\$ 235,861	\$ 916,313	\$197,995,005	0.46%	9,503	96.42	0.20%
2001	3,185,617	125,882	225,320	3,536,819	208,600,785	1.70%	9,369	377.50	0.92%
2002	3,058,955	203,877	289,655	3,552,487	218,090,266	1.63%	9,377	378.85	0.85%
2003	2,773,830	148,052	251,877	3,173,759	227,131,814	1.40%	9,386	338.14	0.77%
2004	2,482,924	89,636	210,282	2,782,842	232,109,820	1.20%	9,385	296.52	0.67%
2005	2,589,258	28,520	423,028	3,040,806	243,079,971	1.25%	9,377	324.28	0.65%
2006	2,527,956	-	70,136	2,598,092	243,079,971	1.07%	9,377	277.07	0.60%
2007	3,456,003	-	57,370	3,513,373	247,203,840	1.42%	9,285	378.39	0.79%
2008	3,166,684	-	966,978	4,133,662	254,002,800	1.63%	9,200	449.31	0.65%
2009	2,833,434	-	158,747	2,992,181	250,078,650	1.20%	9,050	330.63	0.55%

(a) See Table 14

(b) See Table 14

(c) See Table 8. General Obligation Bond divided by the Estimated Actual Taxable Value.

Table 11

CITY OF PRESQUE ISLE, MAINE
Direct and Overlapping Governmental Activities Debt
December 31, 2009

Jurisdiction	Debt Outstanding	Percentage Applicable to Government	Amount Applicable to Government
Direct:			
City of Presque Isle General Obligation	\$ 2,833,434	100.00%	\$ 2,833,434
City of Presque Isle Notes Payable	158,747	100.00%	158,747
Total direct debt	<u>2,992,181</u>		<u>2,992,181</u>
Overlapping:			
Presque Isle Industrial Council	1,506	100.00%	1,506
M.S.A.D. #1	2,832,005	75.80%	2,146,660
Aroostook County	-	0.00%	-
Total overlapping debt	<u>2,833,511</u>		<u>2,148,166</u>
Total direct and overlapping debt	<u>\$ 5,825,692</u>		<u>\$ 5,140,347</u>

Note: Annually, Aroostook County assesses each municipality its proportionate share of the County tax required to fund the County budget. Annually, M.S.A.D. #1 assesses each municipality its proportionate share of the School assessment required to fund the School budget. The County tax and School assessments applicable to the City of Presque Isle is included in the total property tax levy of the City of Presque Isle.

Sources: The outstanding debt for Aroostook County has been provided by the County. The percentage applicable to the City of Presque Isle is based on the ratio of the State equalized assessed valuation for the City of Presque Isle versus the equalized State valuation for Aroostook County.

The outstanding debt for M.S.A.D. #1 has been provided by the District. The percentage applicable to the City of Presque Isle is based on the ratio of the State equalized assessed valuation for the City of Presque Isle versus the equalized State valuation of all municipalities located within the District.

CITY OF PRESQUE ISLE, MAINE
Legal Debt Margin Information
December 31, 2009

The amount of debt a Maine municipality may have is governed by title 30-A.M.R.S.A. section 5702. The law limits total debt and debt for specific categories. Total debt cannot exceed 7.5% of the City's last full State Valuation. Debt for specific categories is limited to a percentage of State Valuation. As the following table indicates, based on a 2009 State Valuation of \$515,600,000, the City is in compliance with the total and categorical debt limits:

Debt Limit by Category

<u>Type of Debt</u>	<u>Maximum Percent Allowable</u>	<u>Maximum Amount Allowable</u>	<u>Principal Amount Outstanding</u>	<u>Legal Debt Margin</u>
Municipal	7.50%	38,670,000	2,833,434	35,836,566
Total Maximum Debt	7.50%	\$ 38,670,000	<u>\$ 2,833,434</u>	<u>\$ 35,836,566</u>

Legal Debt Margin Calculation for Fiscal Year 2009

State Valuation	\$ 515,600,000
Debt Limit - 7.5% of State Valuation	38,670,000
Less outstanding debt applicable to debt limit	<u>(2,833,434)</u>
Legal Debt Margin	<u>\$ 35,836,566</u>

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt limit	\$ 25,231,425	\$ 26,128,110	\$ 26,301,645	\$ 26,290,433	\$ 27,793,028	\$ 28,369,256	\$ 28,133,126	\$ 32,722,500	\$ 36,813,750	\$ 38,670,000
Total debt applicable to limit	-	3,185,617	3,058,955	2,773,830	2,482,924	2,589,258	2,378,744	3,456,003	3,166,684	2,833,434
Legal debt margin	\$ 25,231,425	\$ 22,942,493	\$ 23,242,690	\$ 23,516,603	\$ 25,310,104	\$ 25,779,998	\$ 25,754,382	\$ 29,266,497	\$ 33,647,066	\$ 35,836,566
Total debt applicable to the limit as a percentage of debt limit	0.00%	12.19%	11.63%	10.55%	8.93%	9.13%	8.46%	10.56%	8.60%	7.33%

Table 13

CITY OF PRESQUE ISLE, MAINE
Principal Employers
Current Year and Nine Years Ago

Employer	2009		2000	
	Employees	Rank	Employees	Rank
Aroostook Medical Center	1000-4999	1		
Burrelle's Press Clipping Service	500-999	2	Information not available	
Wal-Mart Superstore	250-499	3		
University of Maine at Presque Isle	250-499	4		
Columbia Forest Products	250-499	5		
MSAD #1	250-499	6		
Northern Maine Community College	100-249	7		
Presque Isle Nursing Home	100-249	8		
Lowe's	100-249	9		
Maine Mutual Insurance Group	100-249	10		

Source: State of Maine, Department of Labor

Table 14

CITY OF PRESQUE ISLE, MAINE
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (a)	Personal Income (b)	Per Capita Personal Income (a)	School Enrollment (d)	Unemployment Rate (c)
2000	9,503	197,995,005	20,835	1,610	4.10%
2001	9,369	208,600,785	22,265	1,657	4.40%
2002	9,377	218,090,266	23,258	1,612	5.20%
2003	9,386	227,131,814	24,199	1,569	6.10%
2004	9,385	232,109,820	24,732	1,567	6.20%
2005	9,377	243,079,971	25,923	1,578	6.50%
2006	9,377	243,079,971	25,923	1,490	6.50%
2007	9,285	247,203,840	26,624	1,460	4.60%
2008	9,200	254,002,800	27,609	1,447	7.70%
2009	9,050	250,078,650	27,633	1,583	10.20%

(a) Source: City of Presque Isle

(b) Source: Bureau of Economic Analysis

(c) Source: Bureau of Labor Statistics, rates for Aroostook County

(d) Source: State of Maine, Department of Education

Table 15

CITY OF PRESQUE ISLE, MAINE
Full-time Employees by Function/Program
Last Ten Fiscal Years

Function	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General Government										
City Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Custodian	0.00	0.00	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.50
Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Planning Development										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.50	1.75	1.75	1.75	1.75	1.75	1.75	1.00	1.00	1.00
Development Specialist	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Tax Assessor	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
Code Enforcement	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Planner	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
Health Officer	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Human Resources										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Payroll	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00
Welfare	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	1.00
Finance										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Accounts Payable	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Tax Collector	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
City Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Police										
Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Detective	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	1.00	1.00
MDEA	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00
Sergeant	4.00	4.00	4.00	4.00	4.00	4.00	3.00	4.00	5.00	5.00
Patrol Officer	12.00	12.00	12.00	13.00	13.00	12.00	12.00	12.00	12.00	12.00
Dispatcher	4.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00
Parking Enforcement	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.75	0.00
Crossing Guard	2.50	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Animal Control Officer	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Custodian	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Fire										
Chief	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Deputy Chief	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Firefighters	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Volunteers	34.00	37.00	36.00	41.00	33.00	32.00	33.00	33.00	33.00	34.00

Table 15, cont.

CITY OF PRESQUE ISLE, MAINE
Full-time Employees by Function/Program, continued
Last Ten Fiscal Years

Function	Fiscal Year									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Solid Waste										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	0.00	0.25	0.25	0.25	0.25	0.25	0.25	1.00	1.00	1.00
Equipment Operations	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Library										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Librarians	6.00	6.00	6.00	5.50	5.50	5.50	5.50	6.00	6.00	6.00
Public Works										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Supervisor	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Truck Drivers	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Mechanic	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Laborer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Airport										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Maintenance	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Forum										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Staff	2.00	1.50	1.50	2.50	3.50	2.50	2.00	2.00	2.00	2.00
Recreation Department										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Program Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Maintenance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Indoor Pool										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Assistant Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Staff	3.00	4.00	3.00	4.00	4.00	3.00	4.00	4.00	3.50	3.50
Total	154.75	157.75	156.25	161.75	154.75	151.75	153.25	155.75	156.50	153.50

Table 16

CITY OF PRESQUE ISLE, MAINE
Operating Indicators by Function/Program
Last Ten Fiscal Years

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Code enforcement										
Residential construction value	\$ 2,273,610	\$ 2,047,736	\$ 2,366,618	\$ 2,444,129	\$ 2,987,124	\$ 3,181,351	\$ 3,160,103	\$ 2,649,484	\$ 2,745,577	\$ 2,117,074
Number of permits	133	143	126	109	127	111	121	100	123	99
Commercial construction value	5,754,262	6,500,871	8,838,274	5,399,798	1,085,707	7,669,473	15,095,886	3,985,871	13,184,277	4,716,826
Number of permits	49	60	47	61	59	71	68	74	66	79
Fire Department										
Fire Calls	n/a	n/a	n/a	164	286	272	263	252	305	275
First Response Calls	n/a	n/a	n/a	59	69	63	68	71	59	78
Inspections	n/a	n/a	n/a	540	590	610	575	580	552	375
Police										
Calls for Service	5,275	6,653	6,225	6,887	6,538	6,379	6,001	6,176	6,184	5,685
Criminal Arrests	393	459	398	580	503	655	450	436	648	668
Vehicle Stops	3,052	4,332	3,935	3,709	4,564	3,817	4,541	4,819	5,173	5,449
Accidents	550	309	416	298	393	357	324	373	327	251
Library										
Total materials circulated	88,479	88,102	95,573	87,023	109,204	111,208	117,315	122,792	130,498	153,969
Total materials borrowed	59,243	56,364	57,891	53,894	60,008	62,134	61,545	61,048	62,608	78,970
Total print items in collection	6,657	74,951	74,951	55,955	53,895	57,689	64,104	60,634	63,560	56,212
Total program participants	1,398	1,413	1,319	924	2,878	3,078	4,020	4,591	4,736	5,504
Public Works										
Road/Street Resurfacing (miles)	n/a	n/a	n/a	n/a	6.38	6.13	4.84	12.04	6.34	8.41
Solid Waste										
Refuse Collected (tons)	14,912	18,211	14,593	14,630	15,133	15,039	20,111	21,433	13,873	14,993
Recyclable Collected (tons)	6,141	8,634	5,134	7,099	5,827	5,719	6,943	7,995	n/a	n/a
Municipal Recycling Rate (a)	41.7%	50.4%	43.0%	59.2%	49.0%	47.6%	51.1%	51.8%	n/a	n/a

Table 16, cont.

CITY OF PRESQUE ISLE, MAINE
Operating Indicators by Function/Program
Last Ten Fiscal Years

<u>Function</u>	<u>Fiscal Year</u>									
	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
The Forum										
Major Events	11	13	13	11	12	10	10	15	15	15
Support for Events	3	3	3	3	3	11	15	11	15	12
Weeks of Ice	22	24	24	24	24	22	23	23	23	23
Recreation Parks										
Non-Aquatic Programs										
Youth Participants	n/a	n/a	4,894	5,345	4,809	4,664	4,012	4,084	3,878	3,946
Adult Participants	n/a	n/a	1,719	1,595	1,722	1,528	1,322	1,466	1,345	1,389
Aquatic Programs										
Indoor Pool Participants	50,794	47,645	44,336	44,303	45,635	43,895	40,335	41,179	32,033	25,634
Outdoor Pool Participants	n/a	n/a	5,371	4,545	5,235	5,212	6,635	6,905	5,641	6,570
Mantle Lake Park Attendance	15,137	18,029	21,005	18,355	18,470	13,755	10,632	15,195	14,093	12,440
Airport										
Enplanements	25,113	17,556	16,691	15,343	16,268	16,207	16,253	15,866	13,496	13,238
Deplanements	25,822	17,254	16,449	15,875	16,197	16,173	16,852	15,662	13,768	13,151
Landing Fees	\$ 31,681	\$ 24,442	\$ 20,605	\$ 20,534	\$ 26,451	\$ 28,672	\$ 25,427	\$ 20,303	\$ 46,103	\$ 57,489

Sources: Various City Departments

n/a ---- information not available

(a) Percentages provided by the State Planning Office